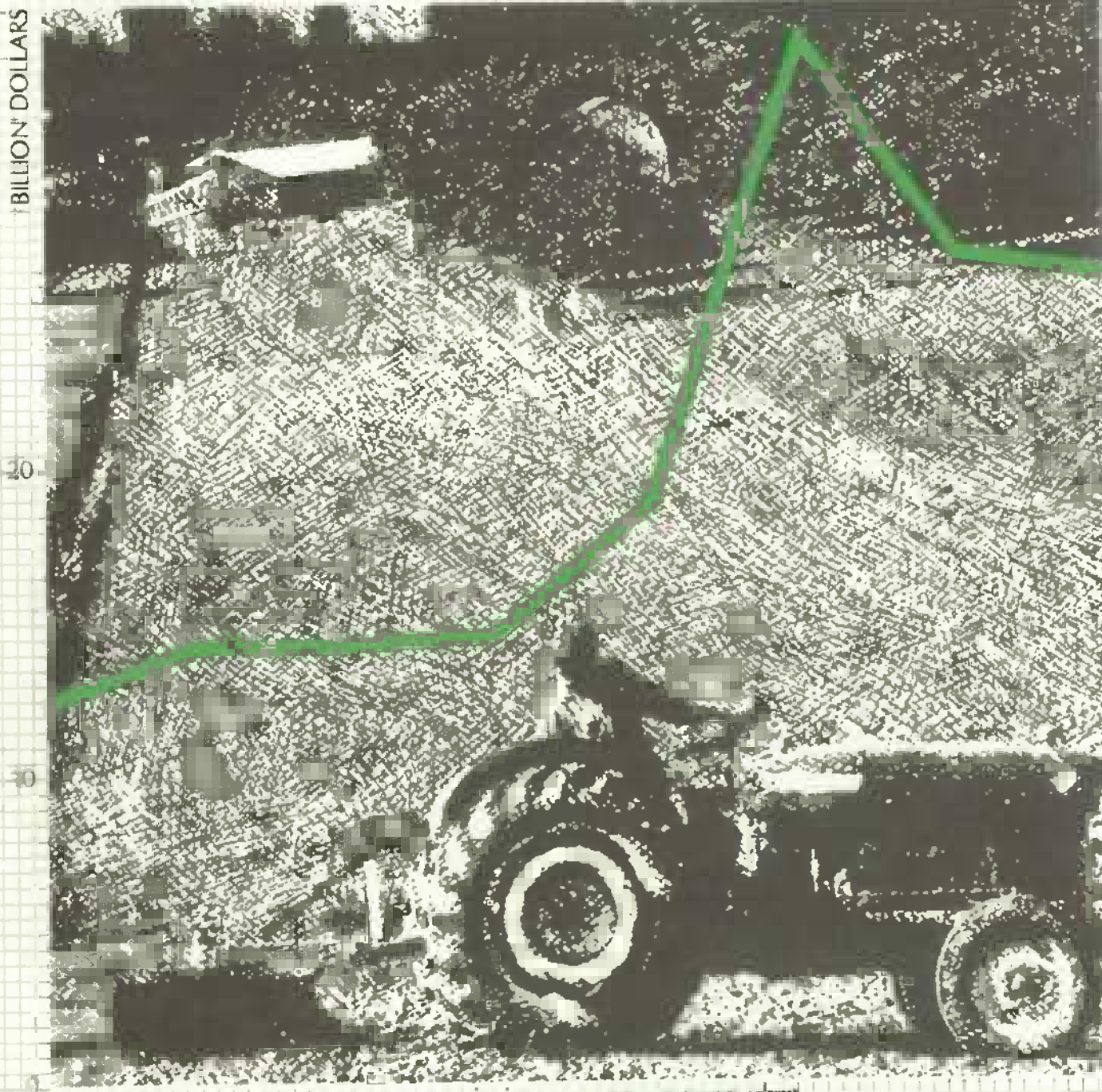


file copy

AGRICULTURAL OUTLOOK

UNITED STATES DEPARTMENT OF AGRICULTURE • ECONOMIC RESEARCH SERVICE • AO-9



TOTAL NET FARM INCOME (1968-1975)

APRIL 1976

AGRICULTURAL OUTLOOK

AO-9
APRIL 1976

Editorial Staff

Robert R. Miller: Economics Editor, National Economic Analysis Division
Terry Barr: Consulting Economist, National Economic Analysis Division
Geraldine Schumacher: Managing Editor, Information Division
Adrie S. Custer: Writer-Editor, Information Division
L. Glenn Golden: Writer-Editor, Information Division
B. Eric Van Chantfort: Writer-Editor, Information Division
Shirley Hammond: Editorial Assistant, Information Division
Eileen Johnson: Statistical Coordinator, National Economic Analysis Division
Jan Proctor: Art Director, Office of Communications

Editorial Advisory Board

Rex F. Daly: Chairman, Outlook and Situation Board
Ben Blankenship: Director, Information Division
James Donald: Outlook Coordinator, National Economic Analysis Division
Dewain Rahe: Outlook Coordinator, Foreign Demand and Competition Division
Don Seaborg: Outlook Coordinator, Commodity Economics Division

Contents of this report have been approved by the Outlook and Situation Board and the summary was released March 24, 1976. Materials may be reprinted without permission. Agricultural Outlook is published monthly, except for a December issue. Annual subscription: \$19.50 domestic, \$24.40 foreign. Order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Make check payable to Superintendent of Documents.

CONTENTS

Page

- 1 Farm Income Maintained; Food Prices Ease**
Strong demand for most food and fiber products is limiting the price impact of larger supplies. Coupled with an improved input price situation, this should bolster first half farm income.
- 2 Agricultural Economy**
Robert R. Miller discusses how the recent easing in food prices—along with gains in disposable incomes and more people working—should bolster consumer demand for agricultural products. This section also features a special 1975 farm income report by William Paddock.
- 5 Inputs**
Prospective developments in farm real estate, machinery, and credit are outlined by Robert Reinsel, Duane Paul, and Lindon Robison. The 1976 pesticide outlook gets an in-depth analysis by Paul Andrienas and Theodore Eichers.
- 9 Transportation**
Lee H. Keely discusses the impact of recent transportation developments on agricultural shippers.
- 11 Food and Marketing**
Larger supplies contribute to softening retail food prices, says Larry Summers. Henry Badger focuses on the farm-retail spread for Choice beef.
- 13 Commodities**
Farrowings continue up and pork output should be expanding in the second half, reports Eldon Ball. William Cathcart suggests favorable profit margins are likely to encourage broiler production this spring and summer. On the soybean scene, Stanley Gazelle indicates that prices are way below a year ago despite strong demand.
- 18 Policy Developments**
Target prices and loan rates have been increased for wheat, corn, sorghum, barley, and upland cotton—and the soybean loan program has been reinstated.
- 18 World Agriculture and Trade**
Highlights of West and East Europe's agriculture are discussed by Omero Sabatini and Thomas Vankai—with special stress given to developments affecting U.S. agricultural trade.
- 21 Cost of Producing Major Crops: Easing in 1976**
Farmers will again spend more for purchased inputs to produce major crops, but the rise likely will be much less than last year. Ronald Krenz, Gail Garst, Charles Micheel, Stanley Rodgers, and David Fawcett project per acre expenses for cotton, feed grains, food grains, and oilseeds.

FARM INCOME MAINTAINED; FOOD PRICES EASE

Stronger domestic and foreign demand is limiting the impact of larger supplies of most food and fiber products. Coupled with a much improved supply-demand situation for production inputs, this should help bolster farm income through midyear. At the same time, larger food supplies are helping to ease retail food price pressures, and this, in turn, is instrumental in slowing the rise in the cost of living.

Earnings from farm marketings during first half 1976 may total around a tenth above January-June last year, due to increases in livestock receipts. Production expenses will be climbing, too, but input price gains are slowing and prices of some items have turned down. As a consequence, first half net farm income is likely to total well above a year earlier and hold close to the improved second half 1975 rate.

First half farm prices of livestock and products may be 10 to 15 percent above a year ago. Although prices of Choice cattle have declined since the beginning of the year, cattle prices are expected to strengthen again this spring and summer, and hog prices continue above a year earlier. Prices of slaughter cows and feeder cattle have risen to levels well above a year ago. Milk prices received by farmers are also up substantially. Higher prices along with increasing output will boost cash receipts from livestock and products above year-earlier levels. Fed beef, broiler, and milk marketings are all up. More pork is on the way, although gains over a year ago will probably not be evident before the second half of 1976.

Crop prices have generally stabilized after declining from last autumn's peaks and may hold in coming months. Wheat and corn prices have edged up in recent weeks. Cotton prices have leveled off, but remain sharply above last year's level. However, crop prices will be sensitive in coming months to developments in this year's crop prospects. Generally stronger domestic and foreign demand will help maintain cash receipts.

Farmers are entering the planting season looking at a much improved supply-price situation for most farm inputs. In fact, while farmers will again spend more for purchased inputs to produce major crops this year, the rise will probably be much less than the increases of 1975. Projections point to per acre cost increases in 1976 of

only 4 to 6 percent for cotton, feed grains, food grains, and oilseeds.

Much greater uncertainty surrounds the last half of 1976. Farm incomes and food prices later this year will be heavily dependent on the outturn of 1976 U.S. and world crops. The picture will come into a little better focus later in April with a further reading on the size of the winter wheat crop, which has been plagued so far with unfavorable weather in some areas. Also, farmers' planting intentions as of early April will give some indication of cropping plans for 1976. However, the crop picture will continue to depend on weather developments through harvest.

1975 Total Net Farm Income Near 1974

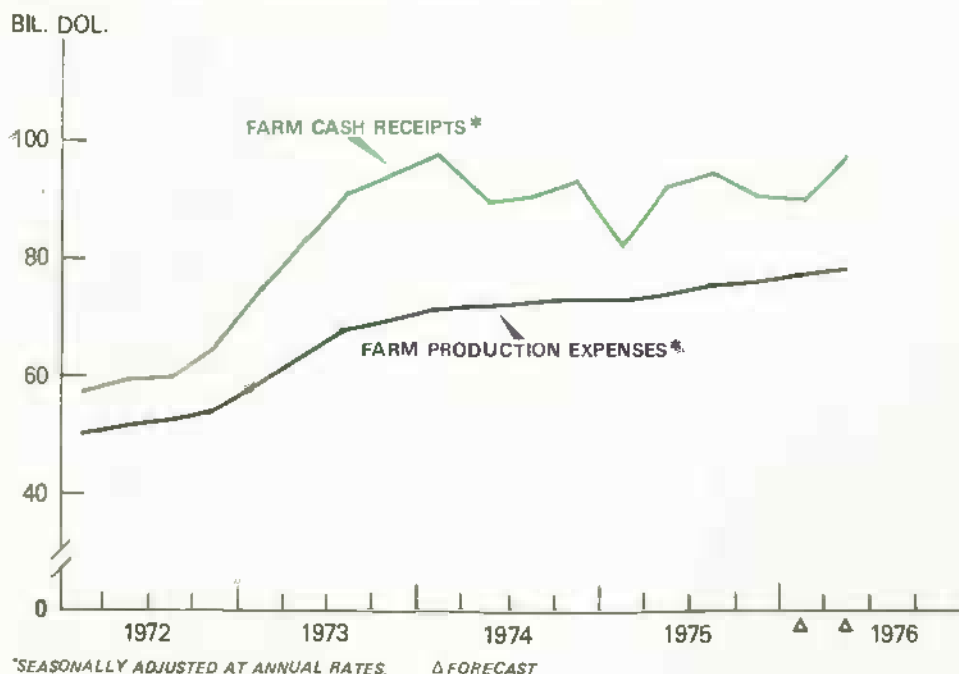
A record outturn of farm products in 1975 coupled with expanded foreign demand held farmers' gross income at around \$99 billion, just under 1974's record. Cash receipts from marketings of livestock and products rose about 5 percent with livestock prices also up around 5 percent. The volume of marketings was about unchanged as larger output of beef and broilers offset the big decline for hogs and a slight drop for eggs. Milk production just about matched 1974.

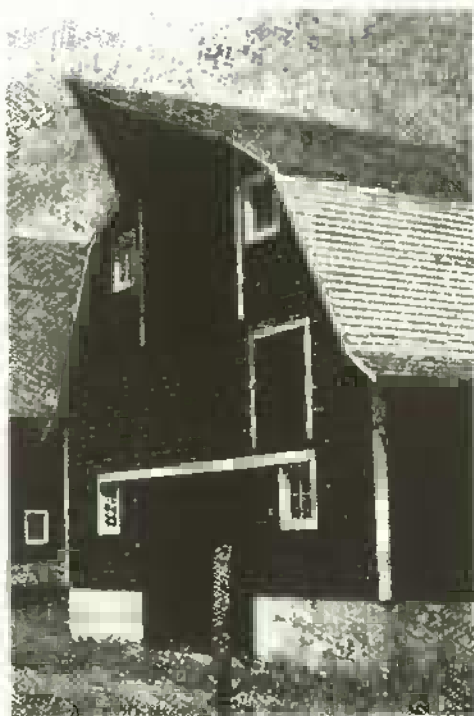
Crop output in 1975 was record large, some 11 percent above the weather-reduced 1974 crop. Among major crops, there were big output gains for wheat, feed grains, soybeans, and sugar, though the cotton crop was much smaller. Crop sales grossed less in 1975 as prices averaged about a tenth below 1974 and a sizable portion of the large 1975 crop was carried into 1976. A much stronger foreign demand bolstered crop prices and domestic feed use was down sharply last year.

Production expenses continued to climb last year—to about \$75.5 billion—rising at a somewhat slower pace than in recent years. Easing input price gains were coupled with a cutback in the use of some inputs.

Following the rapid harvest of the 1975 crop, farmers' net income for the year totaled around \$26 billion, down about ½ billion dollars from 1974. Part of this income was in the form of larger stocks of grains and soybeans which farmers carried into 1976. The estimated net income realized by farmers in 1975 (excluding the value of carry-over stocks) of about \$24 billion was down about \$4½ billion from the previous year because in 1974 part of farmers' realized net income came from stocks accumulated in earlier years.

RECEIPTS TO RISE MORE THAN EXPENSES





AGRICULTURAL ECONOMY

The general economy continues to register steady growth. In fact, the performance so far in 1976 is turning out stronger than earlier anticipated. Much of the strength has come from the consumer sector where retail sales were up around 12 percent from a year ago during January and February. The slowdown in price rises has spurred consumer confidence and encouraged them to spend more freely. The easing in food prices has been a major factor in the slower overall price increases in the economy in recent months.

In early 1976, the consumer has benefited from the performance of the agricultural sector. Wholesale prices of food have declined 3 percent since December, and the retail prices for food at home have declined 0.7 percent. With the economy dependent upon the strength of consumer outlays, developments in highly visible food prices should dampen inflationary expectations and continue to spur consumer spending. At the same time, wholesale prices of industrial commodities have increased around 1 percent since December with retail prices of nonfood items increasing 0.8 percent. Price developments in the food area have dampened some of the price pressures generated in the nonfood sectors by the recovery.

Coupled with gains in disposable incomes and more people working, this easing in prices should bolster consumer demand for food and fiber. Real per capita disposable incomes are likely to be up around 4 to 5 percent this year. The unemployment rate

dropped to 7.6 percent in February, the lowest since December 1974, with total employment continuing to rise from last spring's lows.

Personal income continued to make sizable gains in February increasing 1 percent, or at a \$12.9 billion annual rate, reflecting big gains in private industry payrolls and in government transfer payments.

With consumer buying patterns reflecting a renewed confidence in the economy, businesses began to rebuild inventories with business inventories up 0.5 percent in January following two consecutive monthly declines. Industrial production continued to climb for the tenth consecutive month. After increasing 0.6 percent in February, the index reached its highest level since November 1974.

Larger supplies of many crop and livestock commodities have caused an easing in retail food prices. The 16-percent boost in production of crop-related farm food commodities in 1975 will contribute to larger domestic food supplies through the first half of 1976. Lower crop prices also are stimulating livestock and poultry feeding, which may push livestock-related farm food output up 2 percent this year. Output of fed beef, broilers, and milk is above a year ago. Pork production is picking up, but gains from a year ago probably will not appear until the second half of 1976.

These larger food supplies are expected to result in a relatively substantial 1½-percent increase in per capita food consumption. Larger consumer purchases should help moderate price weakness as the large food

supplies move through marketing channels.

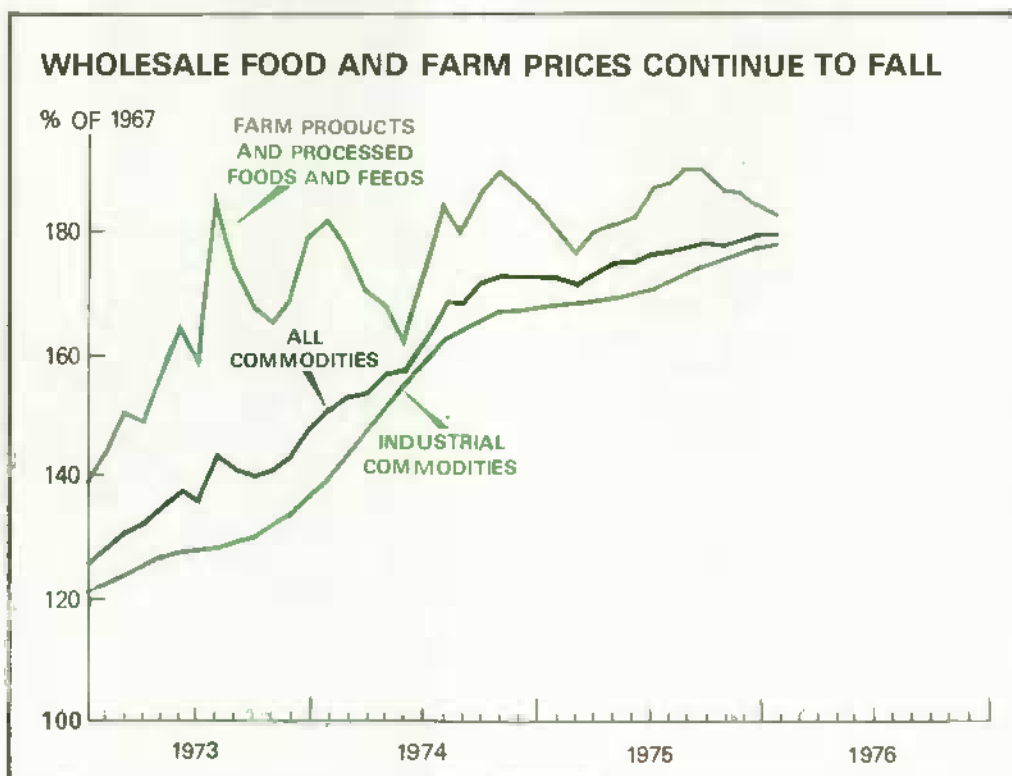
Farm-retail price spreads will still be increasing this year and will probably account for a large share of the overall food price rise. Spreads are expected to rise around 5 to 6 percent this year, about the same as price gains in the general economy, compared with a 9-percent rise in 1975. The slowing reflects smaller price hikes for inputs used by food marketing firms.

Farm Income To Continue Strong

Farm income during the first half of this year is likely to total well above year-earlier levels and should hold close to the last half of 1975. Cash receipts from farm marketings in January-June this year are expected to rise about a tenth over year-earlier levels, all on the livestock side.

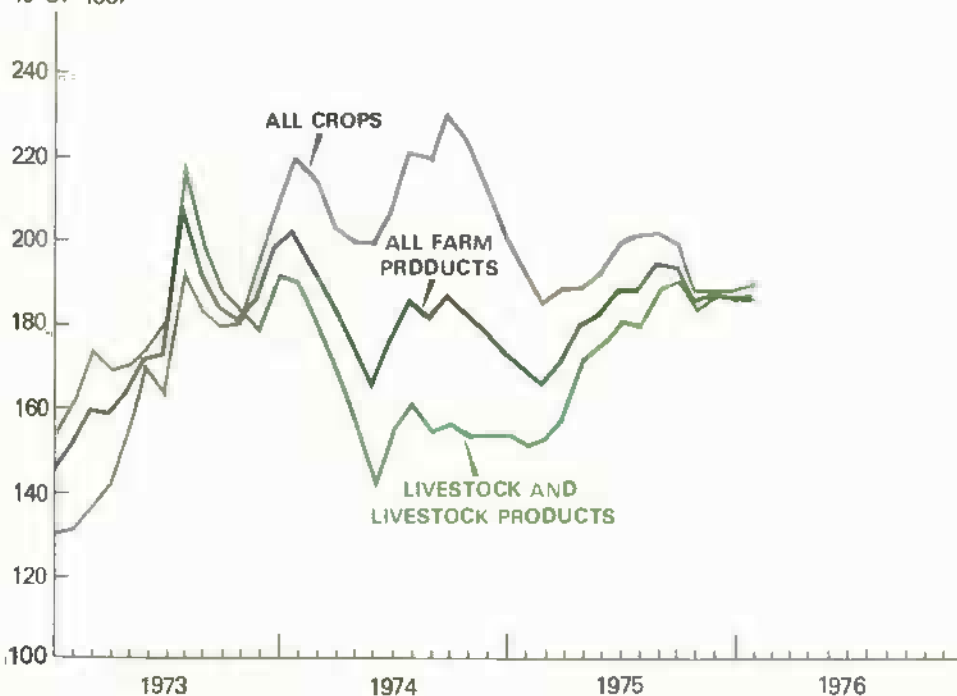
Farm prices of livestock and livestock products are likely to average 10 to 15 percent above a year ago. Although prices of Choice cattle have declined since the beginning of the year, they are expected to strengthen again this spring. Hog prices continue well above a year ago. Prices of cows and feeder cattle have improved since early this year and are now well above a year earlier. At the same time, the volume of livestock marketings is expected to be up in the first half. Fed beef production is on the upswing, broiler output is up a tenth, and milk production is rising. More hogs are on the way, although increases from a year ago probably won't be evident until the second half of 1976.

Strong domestic and foreign demand for crops will help maintain cash receipts from



FARMERS' PRICES HOLD

% OF 1967



Utilization of major field crops

Item	Domestic measure ¹			Metric measure ^{1 2}		
	1973/74	1974/75	1975/76 ³	1973/74	1974/75	1975/76 ³
	Mil. bu.			Mil. metric tons		
Wheat:						
Domestic use	752	679	697-672	20.5	18.5	19.0-18.3
Exports	1,148	1,039	1,275-1,325	31.2	28.3	34.7-36.1
Total	1,900	1,718	1,972-1,997	51.7	46.8	53.7-54.4
Corn:						
Domestic use						
Feed	4,193	3,187	3,500-3,700	106.4	81.0	88.9-94.0
Food, seed, and industrial	438	454	465	11.1	11.5	11.8
Exports	1,243	1,149	1,600-1,500	31.6	29.2	40.6-38.1
Total	5,874	4,790	5,565-5,665	149.1	121.7	141.3-143.9
Soybeans:						
Domestic use						
Crushings	821	701	800-850	22.3	19.1	21.8-23.1
Seed, feed, and residual	76	79	76	2.1	2.2	2.1
Exports	539	421	500-550	14.7	11.5	13.6-15.0
Total	1,436	1,201	1,376-1,476	39.1	32.8	37.5-40.2
Mil. 480-lb. bales						
Cotton:						
Domestic mill use	7.5	5.9	6.8-7.3	1.6	1.3	1.5-1.6
Exports	6.1	3.9	3.0-3.5	1.3	.9	.7-.8
Total	13.6	9.8	9.8-10.8	3.0	2.1	2.1-2.4

Mil. 480-lb. bales

¹Marketing years beginning July 1 for wheat, August 1 for cotton, September 1 for soybeans, and October 1 for corn.

²Conversion between measures may not exactly convert or add due to rounding.

³Projected.

crop marketings in the first half of 1976. Crop prices stabilized after declining from last autumn's peaks, and are likely to hold in coming months despite larger supplies. Wheat prices have picked up in response to a possible cut in winter wheat prospects and will be extremely sensitive to further crop developments. Cotton prices are well above a year ago, although prices have recently leveled.

Domestic Market Expanding

Mill use of cotton and wool is on the upswing—reflecting not only the growing popularity of “natural look” apparel fabrics but also the return to more normal consumption patterns following drastic cutbacks during the recent recession. However, natural fabrics still face stiff competition from manmade fibers.

Cigarette consumption may gain around 1 percent, following a similar increase in 1975. However, the use of most other tobacco products will likely continue long-term declines. Supplies of flue-cured and burley tobaccos remain well above a year earlier, and the carryover at the end of the current marketing year could be up around 7 percent.

Domestic use of grain and soybeans is expected to pick up materially this year. Feed grain use in domestic feeding in 1975/76 is expected to be up 10 to 15 percent, while soybean meal consumption may rise 15 to 20 percent. Soybean crushings are likely to be up sharply this year, reflecting strong meal demand. Soybean oil disappearance may climb a tenth or more, assisted by smaller supplies of cottonseed oil and lard.

Grain and Soybean Exports Rise Slowly

Exports of major crops in 1975/76 are likely to be substantially above year-earlier levels. Feed grains and soybeans are currently enjoying stronger-than-expected foreign demand, and exports have been pushed up from earlier forecasts. More livestock feeding, especially in Western Europe, accounts for much of the recent increase in corn exports. With declining domestic prices, soybean export levels have been increased slightly from earlier projections, despite larger world supplies of oils and oilseeds. For all of the 1975/76 marketing year, exports of corn will likely be up over a third and soybeans about a fourth from last year.

Export sales of wheat are currently lagging relative to earlier expectations, but 1975/76 wheat exports are still estimated up around a fourth from 1974/75. Foreign demand for U.S. cotton has bounced back in recent months, and we could export as much as 3½ million bales in 1975/76. However, this would still be below last year's level.

1975 FARM INCOME REVIEW

by

William Paddock

National Economic Analysis Division
Economic Research Service

Total gross farm income in 1975 was \$101.5 billion, about \$2 billion above 1974. Although the rise in farm production expenses slowed, the increase slightly exceeded the gain in income. As a result, total net income for 1975 was down about ½ billion dollars from the \$26.6 billion reported for 1974.

Record Supplies Pull Down Crop Prices

Receipts from crop sales in 1975 were down almost \$5 billion from the record \$52 billion in 1974. Part of this decline resulted because a sizable portion of 1975's record crop output was carried into 1976 and will add to farmers' income when it is marketed—mostly in 1976. The large crop was rapidly harvested putting downward pressure on prices. Crop prices received by farmers in 1975 averaged about a tenth below the previous year, following a rise of 30 percent from 1973 to 1974. The much stronger foreign demand helped bolster prices for the large crop and domestic feed use was down sharply in 1975. Crop receipts in 1975 were still some \$20 billion above levels of the early 1970's.

Cash receipts from farm marketings

Item	1974	1975
	\$ Mil.	\$ Mil.
Crops and products		
Corn	9,836	9,054
Soybeans	8,828	7,187
Wheat	7,904	7,393
Truck crops	3,235	3,617
Cotton (lint and seed)	2,976	2,609
Sugar crops	2,438	1,516
Potatoes	1,539	1,134
Livestock and products		
Cattle and calves ..	17,889	17,835
Dairy	9,399	9,790
Hogs	7,003	7,889
Eggs	2,977	2,804
Broilers	2,490	3,040
Turkeys	680	789

Farm income estimates

Item	1972	1973	1974	1975
			\$ Bil.	
Total gross farm income . . .	71.0	98.9	99.5	101.5
Farm production expenses ¹	52.3	65.3	72.9	75.5
Total net farm income . . .	18.7	33.6	26.6	26.0
Net change in farm inventories	.9	3.6	-1.6	2.3
Realized net farm income	17.8	30.0	28.2	23.7

¹ As of January 1976, production expenses revised for 1961-75.

Crop receipts in calendar year 1975 declined most for oil-bearing crops, feed crops, sugar crops and food grains. Much of the decline came early in 1975 as weakening domestic and world markets substantially reduced prices for the generally smaller 1974 crops carried into 1975. As a result, farm income was sharply reduced in the early months of 1975. Gross income was at an annual rate of almost \$91 billion, some \$16 billion below a year earlier.

However, by spring the sharply reduced output of livestock products and some firming in consumer demand pushed livestock prices higher and second quarter prices averaged well above the first quarter. Sharply reduced supplies of livestock products and income boosting tax adjustments at mid-year gave an added lift to livestock prices and grower receipts.

Reports in early summer about deteriorating crop prospects in the USSR as well as dry summer weather in our Western Corn Belt sharply increased crop prices as markets adjusted to new prospects. At the same time livestock output began to turn up with increases in broiler production, increased placements of cattle on feed, and planned expansion in pig crops. But meat supplies continued small, with pork output nearly 20 percent below a year earlier. Domestic demand also strengthened and livestock prices rose to record highs in late summer.

The result of big price gains for both crop and livestock products brought a sharply higher rate of returns to farmers in second half 1975, especially for those commodities marketed during the summer. Gross farm income was at an annual rate in excess of \$106 billion, 9 percent above a year earlier. Production expenses also rose, but not so much as income. However, with the rapid harvest of substantially larger 1975 crops, except cotton, crop prices began to decline, despite the sharply expanded foreign demand for U.S. grains. Cotton prices began to rise sharply, but reduced

receipts in the first half, when economic conditions were depressed, and the smaller 1975 crop combined to reduce 1975 cotton receipts. Part of the much larger 1975 grain and soybean crops were carried over into 1976, thus reducing 1975-crop receipts as well as the income farmers realized during 1975.

Production Expenses Up, But At A Slower Pace

Farm production expenses are estimated at \$75.5 billion for 1975, up only \$2.7 billion from the \$72.8 billion of 1974¹. The \$2.7 billion increase in expenses was much smaller than in the preceding 2 years. Reductions in prices paid for feed and livestock as well as reduced purchases of feed contributed significantly to the smaller rise in total expenses. Also petroleum prices, though higher than a year earlier, did not jump dramatically as they did in 1974. Farmers cut back on the use of a number of inputs in 1975, namely fertilizer, farm machinery, and feed. The index of prices paid by farmers for all farm production items, interest, taxes, and wage rates averaged about 8½ percent higher last year, compared with a 17 percent increase in both 1973 and 1974.

Total net income per farm averaged \$9,260 in 1975, compared with \$9,409 in 1974. The total personal income of farm people at \$45.5 billion was up \$0.7 billion from 1974 as income from nonfarm sources more than offset the decline in income realized in 1975 from farm sources. The disposable (after taxes) personal income per capita of farm residents from all sources, at \$4,585, was up about \$250 from a year earlier. For nonfarm people per capita disposable income rose \$400 from 1974 to an estimated \$5,060 in 1975. Thus, the ratio of the disposable income of farm people to nonfarm people declined from 93 percent in 1974 to 91 percent in 1975.

¹ Farm production expenses have been revised for the years 1961-1975 to incorporate a change in short term interest charges to farmers. The revised expenses will be published in the July issue of *Farm Income Statistics*.

Farm Income Concepts

The preceding income estimates relate to agriculture as a business or industry measuring gross farm income, farm production expenses, and finally the net return to farm operators for their farm work (including that of their families) and for the capital invested in their farms and equipment.

Total gross farm income includes:

- Cash receipts from farm marketings or farm products represent gross receipts from commercial market sales as well as loans made or guaranteed by CCC and purchases under price support programs.

- Government payments to farmers in connection with farm programs.

- Nonmoney income includes farm products consumed directly in farm households and the value of housing provided by farm buildings.

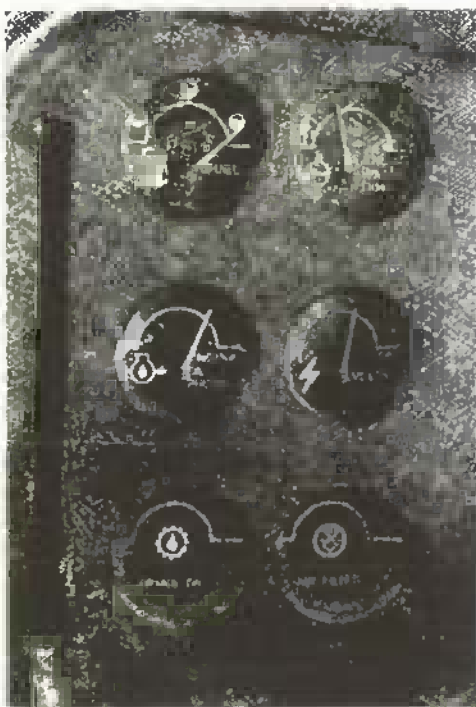
- Other farm income from recreation and machine hire and custom work.

- Change in farm inventories which measures the change in physical quantities of livestock and crops on farms, valued at average prices prevailing during the year. The value of a buildup in inventories is "unrealized" until sold and prices at the time of sale may be considerably different from those during the year of accumulation.

Farm production expenses comprise the aggregate costs incurred in farm production. They include current farm operating expenses for such items as wages paid to hired labor (in cash and in kind) and outlays for repairs of equipment and operation of the farm, as well as purchases of fertilizer, feed, seed, and livestock. Overhead-type costs include charges for depreciation and other capital consumption, taxes on farm property, and interest on the farm mortgage debt. Expenditures on new buildings, motor vehicles, and other capital equipment are not included as production costs. Production expenses instead include an allowance for annual depreciation and other capital consumption.

Total net farm income represents what is left from total gross farm income after deducting farm production expenses. It is included in the national income estimates of the U.S. Department of Commerce as farm proprietors' income.

Realized net farm income includes only the income realized during a calendar year. As such, it excludes potential income from a net buildup in inventories which are carried over into the next year. However, it does include income from a net sell-off of inventories during the year.



INPUTS

This year, farmers face a much improved input supply-price situation, perhaps the most favorable since 1972. To be sure, input prices in general will still be rising, although the rate of increase is slowing and for some items prices will even be turning down. Supplies of most inputs entering the 1976 season are larger than a year ago and should be more than adequate to meet somewhat larger farm needs. Prospective increases in the acreage of most crops, more intensive use of inputs, and stepped-up livestock feeding should help boost total input use this season.

Prices paid by farmers for production items, interest, taxes, and wages in February held near January levels and were about 8½ percent above a year ago. However, since last fall, aggregate prices of inputs have risen at an annual rate of around 6 percent.

Fertilizer prices this spring are expected to be down considerably from a year ago, perhaps around a fourth with some items down as much as 40 percent. Supplies are likely to be much more ample. Pesticide supplies are likely to be up sharply this year, more than enough to meet an expected 5-percent rise in farm use. As a result, early this season, growers were paying somewhat less for pesticides than a year ago.

Fuel supplies, in general, should pose few problems for farmers. Gasoline and diesel supplies are plentiful, and prices are down 1 to 2 cents per gallon from last fall. Farm machinery inventories have risen markedly, and farmers should not face machinery shortages this year. Prices continue upward, but some slowing in the rate of increase is likely in 1976.

Interest rates on operating loans have leveled off well below the peaks reached in early 1975. However, we may see some increase in interest rates later this year if capital expenditures and residential construction activity continues to pick up.

Feed prices are below year-earlier levels, but they have risen slightly since last December. Supplies of feed grains and soybeans are well above a year earlier, and feed use is expected to be up substantially this year. Increased demand from feedlots along with a reduced supply has boosted feeder cattle prices paid by farmers in early 1976 almost 50 percent above a year ago. Further price gains are likely in coming months.

Real Estate Interest Rates Holding After Late 1975 Rise

Interest rates charged new Federal land bank borrowers have been holding steady early this year near the fourth quarter 1975 rate of 8.76 percent. At that time, Federal land bank rates had edged up from 8.68 percent in the third quarter. Meanwhile, life insurance companies were charging new borrowers 10.1 percent at the end of 1975, up 0.4 percentage points from the previous quarter.

Although it appeared the difference between interest rates charged by these two lenders increased during the last quarter of 1975, their rates are not directly comparable. Federal land banks operate under a variable interest rate program and all of their borrowers (new and old) pay nearly the same interest rate. On the other hand, life insurance company borrowers pay different fixed interest rates, determined at the time their loans are closed. In addition, land bank borrowers are required to purchase stock in the banks equal to 5 to 10 percent of the loan, thus reducing the amount of loan funds actually available to the borrower.

Consequently, the interest rates paid by new life insurance company borrowers reflect the current cost of money, while the interest rates paid by new Federal land bank borrowers reflect an average cost of money (weighted by the cost and amount of bonds held by the land banks to finance loans outstanding). As a result, interest rates charged by life insurance companies are more sensitive and show more variation than those charged by Federal land banks. (Lindon Robison)

Farm Real Estate Prices To Rise Further

Land prices may increase around 8 to 10 percent in the coming year with a relatively low rate of turnover. A major cause is relatively strong grain prices and slower rises in production costs which are leading to expectations of favorable farm incomes.

Farm real estate: Indexes of average value per acre¹

State	1973	1974		1975		1976
	November	March	November	March	November	February
			March 1, 1967=100			
NORTHEAST						
New England ²	218	231	247	257	³ 268	278
New York	199	233	254	275	294	296
New Jersey	240	278	315	340	³ 369	377
Pennsylvania	227	262	284	315	338	350
Delaware	172	199	236	242	266	288
Maryland	211	227	242	248	³ 270	299
LAKE STATES						
Michigan	167	174	181	184	194	201
Wisconsin	199	214	240	240	251	271
Minnesota	164	186	218	242	266	294
CORN BELT						
Ohio	161	184	201	208	228	252
Indiana	152	161	182	200	227	244
Illinois	150	173	194	209	233	260
Iowa	169	189	216	234	267	294
Missouri	180	207	212	214	218	241
NORTHERN PLAINS						
North Dakota	168	193	229	265	290	310
South Dakota	151	172	192	214	229	241
Nebraska	168	183	204	215	242	271
Kansas	157	178	201	211	224	235
APPALACHIAN						
Virginia	194	223	241	250	³ 272	278
West Virginia	224	275	296	317	355	398
North Carolina	186	200	213	216	229	232
Kentucky	173	182	201	203	220	239
Tennessee	193	206	222	236	³ 247	251
SOUTHEAST						
South Carolina	223	238	255	273	³ 279	284
Georgia	244	264	288	298	³ 299	299
Florida ⁴	187	200	219	224	233	237
Alabama	200	211	233	233	251	258
DELTA STATES						
Mississippi	155	182	196	204	³ 205	205
Arkansas	175	186	190	191	196	213
Louisiana	161	174	189	191	195	201
SOUTHERN PLAINS						
Oklahoma	169	183	209	212	224	234
Texas	170	191	199	193	205	213
MOUNTAIN						
Montana	183	203	236	237	³ 262	278
Idaho	170	203	224	243	260	264
Wyoming	169	191	208	218	241	254
Colorado	178	194	207	209	³ 231	244
New Mexico	180	186	192	197	³ 202	206
Arizona	182	208	214	211	217	217
Utah	211	216	221	232	249	261
Nevada	286	299	299	299	306	307
PACIFIC						
Washington	158	160	168	178	197	213
Oregon	201	213	226	228	233	242
California	127	131	140	150	155	156
48 STATES	170	187	205	214	230	244

¹ Includes improvements. ² Includes Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. ³ Revised.

⁴ Index based on percentage change in Georgia and Alabama.

Farm real estate values nationally rose an average 14 percent from March 1, 1975, to February 1, 1976—about the same rate of increase as in the previous year. The index of average value per acre reached 244 (1967=100), up from 214 in March 1975 and 230 last November. These data are from the Statistical Reporting Service (SRS) crop reporter survey.

Increases in land prices from March 1975 to February 1976 were sharpest in the Corn Belt, Lake States, and Northern Plains, with the slowest rises occurring in the Southeast and Delta States. The general pattern of increase by States suggests that the major strength in land values stems from optimistic expectations concerning grain prices and from increased farm exports. On the other hand, nonfarm pressures for development seem to be playing a lesser role.

For the nation, land values have nearly doubled in the last 5 years, reaching an average \$403 per acre in February 1976. In Illinois and Iowa, where land values are based mainly on farm earnings, values averaged \$1,184 and \$1,009 per acre, respectively. Land values also averaged over \$1,000 per acre in several Northeastern States, where nonfarm factors are much more important in determining market prices.

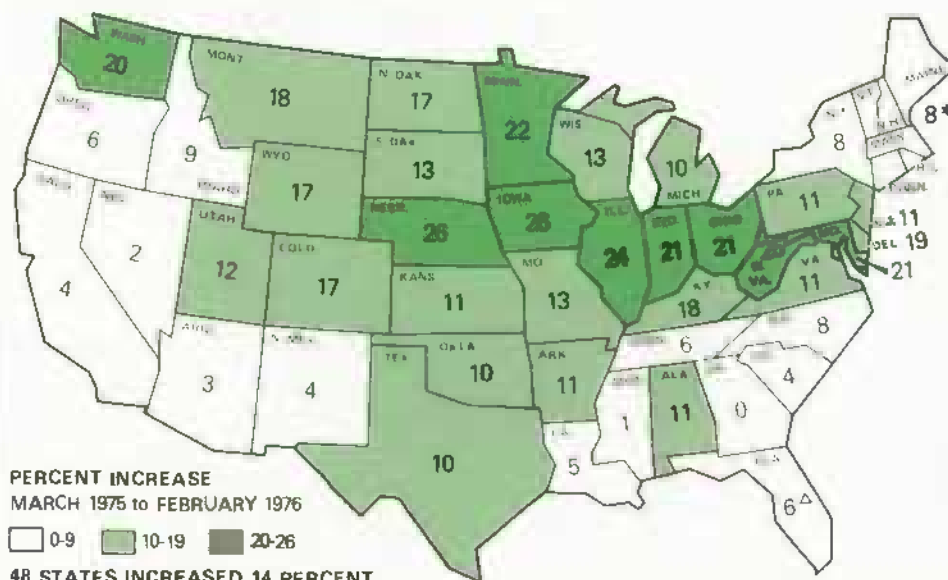
Although increases in land prices are still relatively large, rates of transfer for farm real estate continued to decline from the highs reached in 1973. For voluntary sales, transfer rates fell below those of 1974 and 1975 and have returned to the 1970-71 level of about 28 per thousand farms. Rates of estate settlements and other transfers also declined. On the other hand, foreclosures were up, increasing from around 3,400 in March 1975 to about 3,800 in February 1976. This is the largest number of foreclosures in any year since 1965. (Robert Reinzel)

Farm Machinery Sales and Prices Likely to Slow in 1976

Unit sales of some farm machinery may be down this year, although the trend toward larger and more sophisticated equipment will continue. Sales of 2-wheel-drive tractors in 1976 are expected to drop some 4 percent relative to 1975, while 4-wheel-drive sales should increase 4 percent. Overall, sales of wheel tractors are likely to decline 3 percent from 1975. Sales of combines and hay balers may drop slightly, while those of cornheads and forage harvesters are expected to increase. Large round balers have become increasingly popular with farmers, and sales of those units will likely rise in 1976.

Inventories of machines ready for sale have increased, and farmers should not be hindered by shortages in their machinery purchases. This year most manufacturers feel

FARMLAND VALUES REMAIN STRONG



BASED ON INDEX NUMBERS OF AVERAGE VALUE PER ACRE. * AVERAGE INCREASE FOR MAINE, NEW HAMPSHIRE, VERMONT, MASSACHUSETTS, RHODE ISLAND, AND CONNECTICUT. Δ AVERAGE OF THE PERCENTAGE CHANGE IN GEORGIA AND ALABAMA INDEX VALUES

that a favorable inventory sales balance has been or will soon be reached for most machines. While a comprehensive forecast of 1976 machinery prices has not been made, producers do feel that expected increases in energy-related expenses will boost their manufacturing costs. In general, however, the reduced rate of farm machinery price increases during 1975 and the slowing of inflation throughout the economy suggest a similar slowing in price gains for agricultural equipment.

In 1975, sales of most types of farm machinery were above levels of the early 1970's although sales were generally below 1973 and 1974. About 161,000 farm tractors were sold last year, down from the previous 2 years. However, the average size of tractors continued to increase. Average PTO horsepower of tractors purchased was 97 in 1975, with nearly 47 percent having more than 100 horsepower. Farmers continued to purchase large numbers of combines, and sales of cornheads for com-

bines were comparable to 1974. However, purchases of hay balers and forage harvesters were down substantially.

Several factors were likely responsible for lower unit sales in 1975. First, farmers bought heavily during the previous 3 years, and these sales probably had a depressing effect on 1975 sales. Second, prices received by farmers in 1975 declined 2 percent from 1974, while prices paid for farm machinery and other production inputs increased 9 percent. Third, the supply-demand situation for farm machinery in general came into closer balance, as manufacturers continued to produce at nearly full capacity into 1975 in response to shortages which developed in 1973 and 1974. Combine sales remained high in 1975 because production of feed and food grains increased significantly over their weather-reduced levels in 1974.

Wholesale price gains for all agricultural machinery and equipment averaged 9 percent in 1975 but varied with different types of machines. Prices of farm wheel tractors increased 8 percent, while those of self-propelled combines rose 16 to 18 percent. The index for all agricultural machinery excluding tractors rose 10 percent. However, price increases last year were down significantly from 1974 when prices for agricultural machinery and equipment rose almost a fourth. (Duane Paul)

Farmworkers Wage Rates Expected To Continue Rising

Wages of farm employees averaged \$2.76 per hour (all methods of pay converted to an hourly rate) in January, up 12 percent from last January's \$2.47. Wage rates in early 1975 were around 9 percent above year-earlier levels. Over the last decade, hourly wage rates of the Nation's farm employees have just about doubled.

In January, about 3.5 million workers were reported on U.S. farms, up 3 percent from a year ago when 3.4 million farmworkers were employed. Farm operators and unpaid family labor came to 2.6 million, also up 3 percent from last January. All hired workers numbered 0.9 million this January, 6 percent greater than last year.

However, the number of workers on U.S. farms has been trending downward for a number of years. From over 7 million in 1960, farmworkers numbered an average 4.4 million in 1975, a drop of over a third during this 15-year period.

Despite a gain in total farm output in the last 15 years, the number of hours used for farm work has declined significantly in the United States. As a result, farm output per hour of labor about doubled since 1960 reaching 136 (1967=100) in 1975. (Don Durost and Robert R. Miller)

Farm machinery sales⁽¹⁾

Type	1970	1971	1972	1973	1974	1975	1976 ¹
Retail unit sales							
Farm tractors							
2-wheel drive	(²)	131,523	157,187	190,534	165,514	150,540	144,800
4-wheel drive	(²)	2,728	3,856	6,460	8,287	10,605	11,000
Total	135,532	134,251	161,043	196,994	173,801	161,145	155,800
Avg. horsepower	72	78	81	85	90	97	(²)
Combines	27,288	27,942	28,567	35,082	31,595	33,084	32,000
Cornheads	18,542	20,815	21,130	26,705	25,156	25,412	26,332
Hay balers	29,334	28,337	31,601	36,928	29,339	26,075	24,500
Forage harvesters	14,970	14,787	15,197	17,695	16,074	13,140	14,000

¹ Forecast. ² Not available.

Source: Farm and Industrial Equipment Institute, *Annual Retail Sales Reports*,

1970-1975, and *State of the Industry*, 1976, Chicago, Ill.

PESTICIDE OUTLOOK FOR 1976

by

Paul A. Andrienas and
Theodore R. Eichers

National Economic Analysis Division
Economic Research Service

Pesticide supplies are likely to be larger in 1976. Production of pesticides is expected to be up about 10 to 15 percent from last year, and larger inventories are also reported. Some new capacity has been added and few production problems are evident. While manufacturers' prices are generally holding their own, retail prices early this season are reported somewhat lower than a year ago. This information is from an Economic Research Service (ERS) survey of 25 basic pesticide producers made this January and February.

Total pesticide use in 1976 is expected to increase by more than 5 percent primarily because of expanded crop acreage. Based on January planting intentions, cotton acreage is expected to be up substantially this year with more modest increases likely for corn, sorghum, and wheat. These gains should more than offset an expected decline in soybean acreage. Furthermore, there is a continuing trend to more intensive use of pesticides, especially herbicides.

Pesticide price increases to dealers are much smaller than they were in 1974 and 1975. Regional distributors reported that prices they paid their suppliers for pesticides in late 1975 and early 1976 were up about 5 to 10 percent over a year earlier, with increases about the same for all types of pesticides. Dealers were hit with a 20-percent average rise in pesticide prices during 1975 and a 12-percent boost in 1974.

Suggested or list retail prices to farmers for selected pesticides are reported up only slightly. Average list prices early this year are up less than 5 percent from a year earlier, compared with increases of 20 to 30 percent last year. Fungicide and herbicide list prices for 1976 are almost

unchanged, but prices for insecticides are up 5 to 10 percent. However, because of larger supplies, distributors reported that early season sales were generally being made at slightly under list prices. Consequently, up to mid-March while there is a slight rise in list retail prices, growers were actually paying prices generally somewhat below last year, especially for herbicides.

In addition, distributors reported early season sales are off substantially compared with the same periods in 1974 and 1975. But a sizable potential market exists and some dealers who are selling aggressively indicated that early season sales are up. Generally, distributors expect sales and prices to pick up as the season progresses.

From all indications, growers are experiencing relief from the substantial price hikes which averaged about 10 to 20 percent in 1974 and 30 to 40 percent (or more for some products) early in 1975. However, prices for a number of products during 1975 did drop somewhat as the season progressed.

Weed Killers Abundant

Use of herbicides should gain this year at about the same rate as the overall increase in pesticide demand, but supplies should be more than adequate. The anticipated expansion in corn and cotton acreage should contribute most to the higher demand, although increases in wheat and sorghum acreage will also boost herbicide sales. Also adding to demand is the more intensive use of herbicides. However, the expected decline in soybean acres will be partly offsetting.

Drought in the winter wheat area could further increase demand. A portion of the acreage on which wheat was destroyed by the drought may be replanted with sorghum, boosting the need for sorghum herbicides. The expected decline in winter wheat production could also encourage farmers in the spring wheat areas to plant more acres, thereby increasing the need for wheat herbicides.

Overall supplies of herbicides should be plentiful. Production is up 14 percent from a year earlier, and inventories starting the 1976 season were 50 percent greater than a year earlier.

The estimated supply of corn herbicides is about 10 percent greater than in 1975. Available supplies should be adequate to meet an expected 5-percent increase in farmers' needs in 1976, resulting in a further inventory buildup by distributors and producers during the year.

Supplies of herbicides used in wheat and soybean production are 10 to 15 percent above a year earlier. Soybean herbicide supplies should be up this year, while expected use will probably be somewhat lower. Wheat herbicide supplies could rise around a tenth in 1976, at a faster rate than the likely growth in use.

Although cotton herbicide use may be up about 20 percent from 1975, supplies are expected to be adequate. Production of cotton herbicides has not increased as much as demand, but inventories are larger. With supplies holding close to year-earlier levels in 1975, the 20-percent reduction in cotton herbicide use contributed to a large inventory buildup by the end of the 1975 season. Herbicide

Pesticide supply and use, 1976 estimate

Item	Percent change from 1975	
	Farm Use	Supplies
Herbicides:		
Corn	+6	+11
Cotton	+20	+26
Soybeans	-5	+15
Wheat	+3	+11
Insecticides:		
Corn	+3	+11
Cotton	+20	+30

supplies available for use on cotton also should be strengthened by an expected drop in soybean acres. Several products are interchangeable between these two crops, contributing to flexibility in using available herbicides.

Cotton Insecticide Use To Increase

Insecticide use this year should recover from 1975 levels. The strongest demand appears to be for insecticides used in cotton production and for soil insecticides to replace other products that are losing their effectiveness or are being removed from the market by regulatory action.

The sharp decline in cotton acres in 1975 reduced cotton insecticide requirements last year, and the substantial increase in planted acreage this year is expected to increase cotton insecticide use by about 20 percent.

Overall insecticide use in corn production is expected to be up less than 5 percent. However, some important shifts in the use of particular soil insecticides are expected. Fewer organochlorine insecticides will be used because of regulatory actions. On the other hand, use of alternate products such as carbofuran, phorate, and fonofos should continue to increase.

Overall supplies of insecticides should meet farmer requirements. Production is up more than 15 percent and inventories are high relative to a year earlier. Carryover from the 1975 season was more than double a year earlier. Supplies of cotton and corn insecticides entering the 1976 season are up about 30 and 10 percent, respectively.

Fungicide Inventories Up

Use of other pesticides—fungicides, defoliants and desiccants, growth regulators, miticides, and fumigants—is affected primarily by plantings. With the increase in cotton acreage, the demand for defoliants and desiccants should increase substantially. Use of fungicides should be up somewhat from 1975. More growth regulators are being used, which will continue to boost pesticide use.

Supplies of other pesticides are expected to be adequate. Fungicide production is close to last year, but larger inventories—more than double a year ago—are contributing to increased supplies.



TRANSPORTATION

Hardly anyone outside the transportation industry noticed when the Railroad Revitalization and Regulatory Reform Act of 1976 (PL 94-210) became law on February 5—despite its wide-ranging impacts on commerce and agriculture. In addition to changing the authority of the Interstate Commerce Commission (ICC) over ratemaking and other railroad business, the law establishes a five-year, nationwide local rail service subsidy program administered by the States but subject to U.S. Department of Transportation regulations as a condition for receiving federal funds. The federal share declines from 100 percent the first year to 70 percent the fourth and fifth years. The law also authorizes \$1.6 billion for improving passenger service on the Northeast Corridor (Washington, D.C., to Boston). Other provisions include: the implementation of the Final System Plan, which permits the Consolidated Rail Corporation (ConRail) to take over the Penn Central and smaller bankrupt railroads; procedures for expediting railroad mergers and consolidations; and establishment of the Railroad Rehabilitation and Improvement Fund. The purpose of the fund, for which \$600 million is authorized, is to provide interest-free, medium-term financing for "facilities maintenance, rehabilitation, improvements, and acquisitions, and such other financial needs as the Secretary (of Transportation) approves."

The law is a landmark in the constantly evolving relationship between government and the rail industry. It acknowledges the rail industry's decrease in competitive advantage over the motor carrier, water carrier,

and pipelines industries—an advantage which has been steadily eroding for many years—and the severity of the industry's current economic problems which must be solved if railroads are to remain in private ownership.

Although not necessarily the most significant, one section, nicknamed the "yo-yo clause," has probably received the most attention. This section of the new law gives carriers relative freedom to adjust individual rates up or down by as much as 7 percent from the rate in effect January 1, 1976. The first adjustment period is calendar 1976. A second year of the same rate freedom follows—based on rates in effect January 1, 1977.

Upcoming ICC Rulings

Of the several decisions which the ICC must make, three are of particular interest to agricultural shippers. The first is to give definition to the statutory phrase "market dominance." The law allows the new rate freedom to apply only to transport services over which the carrier does not have market dominance. In other words, for the purpose of this law, effective competition, whether from other railroads or other transport modes, will exist where market dominance is found not present. Applying any definition of the phrase to many bulk commodity movements (such as grain) will prove controversial. The ICC's deadline for decision is October 4, 1976.

The second proceeding, to be decided by February 5, 1977, is to establish standards and procedures for rail rates based on seasonal, peak, or regional demand. Because of the seasonality of agriculture, this decision will also have significant effects on the farm community.

Finally, the ICC is to develop an accounting system for determining rail branch-line costs and revenues. Heretofore, there has been no standardized, consistent procedure for measuring the profitability of branch lines. In conjunction with other proceedings undertaken simultaneously, this one should bring about a simplified abandonment process eliminating much of the costly uncertainty to both carriers and shippers. The deadline for this ruling is November 1, 1976.

Competition Holding Rail Rates Down

Rail freight rates have continued to level off since the last ICC-approved general rate increase caused a jump last October. During January and February, rates on farm products climbed 0.3 percent or at an annual rate of 2 percent. Rates on food products for the same period increased just slightly, less than 1 percent on an annual basis.

The general rate increase which seemed so

probable 2 months ago has been stalled, and the outcome now seems less predictable. The uncertainty has not resulted from the railroads' failure to gain approval—the ICC authorized the 7-percent increase as requested. Instead, the railroads themselves disagreed over the advisability of the rate increase. In a rare move, several western railroads, led by the Southern Pacific, refused to go along with the proposed price rise. They felt it would further erode their competitive situation and result in a loss of traffic. Originally scheduled to go into effect in early March, the increase was postponed by the ICC in hopes that the railroads could reach an accord. It appears now that an agreement will be reached to include part of western territory traffic in the increase.

Grain Shipments in Seasonal Decline But Exports on Track

Despite a recent explosion which put one of Houston's export elevators out of commission, grain shipments for export are being handled with only minor problems. Shipments which were enroute to the disabled elevator were diverted to other Gulf elevators under provisions of an ICC order. The seasonal low in Gulf grain exports eased the resulting transportation problems.

The longer-term impact of reduced export capacity for the Gulf area is far more difficult to assess. When the Houston elevator may be back in service is not known. A new elevator in the New Orleans area is expected to be on line by summer, in time for the 1976 harvest season. Another

elevator under construction at Galveston will be operating this fall. Even though two-thirds of total grain exports typically move through the Gulf, any measured restriction in export capacity from the loss of one elevator is improbable.

Shipments of wheat, corn, and soybeans in total are keeping pace with the rate required to fulfill official export projections for the current marketing years. Corn and soybean shipments are running well ahead of the rates necessary to fulfill projections, although wheat is lagging. However, unless a surge in wheat shipments is accompanied by large and unexpected increases in shipments of other grains in the next few months, transportation should not be restrictive.

Increased Trucking Costs To Hit Fruit and Vegetable Shippers

Despite marked increases in the cost of getting into the trucking business over the last 2 years, trucking of agricultural commodities exempt from ICC regulation remains a highly competitive business by most standards and the most competitive sector of the total transportation network. As a result, shipping rates respond readily to market conditions. (Unregulated, or exempt, commodities generally include unmanufactured agricultural commodities.)

But in the long run, of course, truckers have to cover their costs. Though rates have been going up, equipment costs have probably risen even faster. For example, the cost of a new tractor-trailer has nearly doubled in the past 3 years. Therefore, while present

Fresh fruit and vegetable shipments

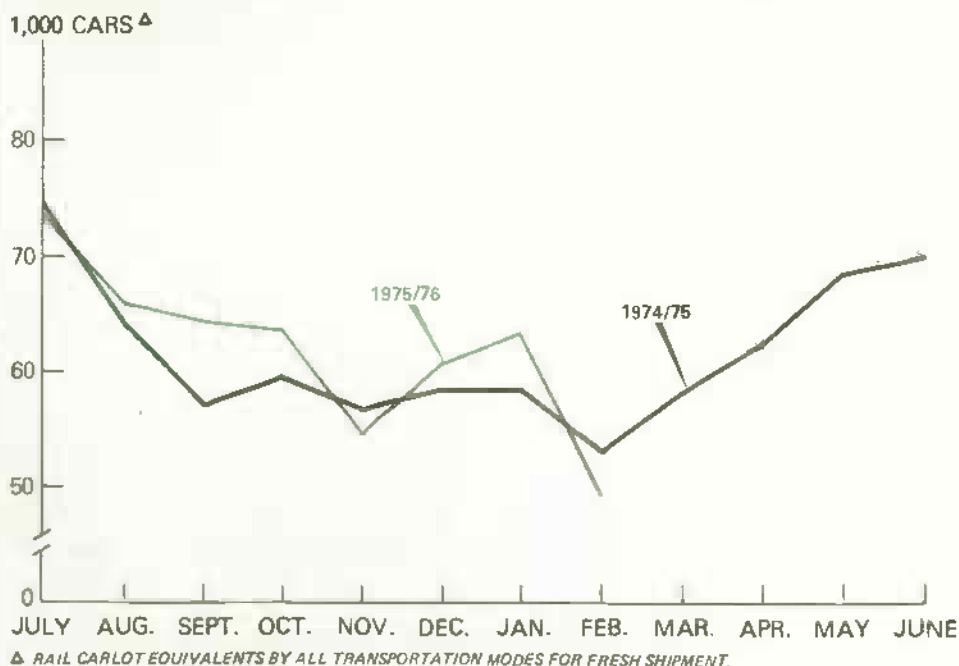
Year	Share hauled by	
	Trucks	Railroads
	Pct.	Pct.
1972	73	27
1973	76	24
1974	78	22
1975	84	16

rates may be high enough to keep established operators in business, they may not be high enough to attract much new capital into the industry.

Regulated motor carriers also haul fruits and vegetables. They are free to compete with unregulated carriers on exempt commodities and frequently take a load as backhaul—that is, they load with perishables on a return trip after carrying regulated commodities. However, the number of exempt truckers determines the total supply of motor transport for perishables, and rates which will keep them in business determine the cost to the shipper.

Also, railroads are rapidly getting out of the perishables hauling business—failing to provide an acceptable service at competitive prices. As the height of the season for fresh fruits and vegetables approaches, economic pressures all seem to point to higher truck rates. (Lee H. Keely)

FRUIT AND VEGETABLE SHIPMENTS TO RISE SEASONALLY



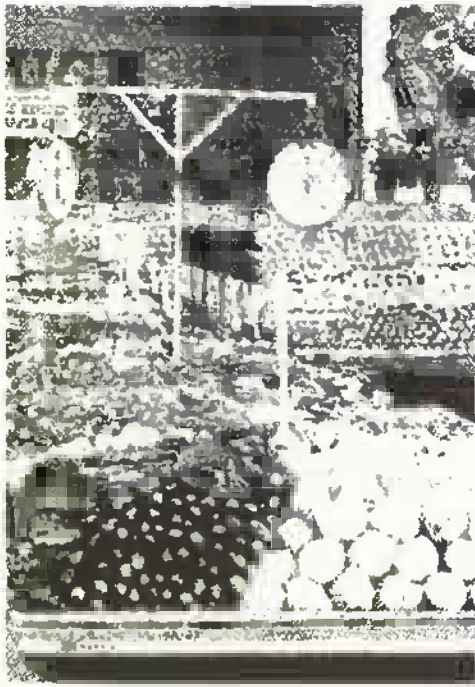
April Situation Reports

The Economic Research Service Situation Reports summarize the current situation and present economic outlook for agriculture.

Situation Reports which will be released by USDA's Outlook and Situation Board during April 1976 include:

Title	Off Press
Livestock & Meat	April 14
Ag. Supply & Demand	April 23
Fats & Oils	April 27
Cotton & Wool	April 30

Single copies of the above reports may be obtained by writing to U.S. Department of Agriculture, ERS Information Division, Publications Unit.



FOOD AND MARKETING

Larger supplies of many food items have resulted in some softening in both wholesale and retail food prices. Larger inventories of a number of processed foods last year, record U.S. crop harvests last summer and fall, and increased output of animal products in recent months are providing abundant supplies for rising domestic and foreign demand.

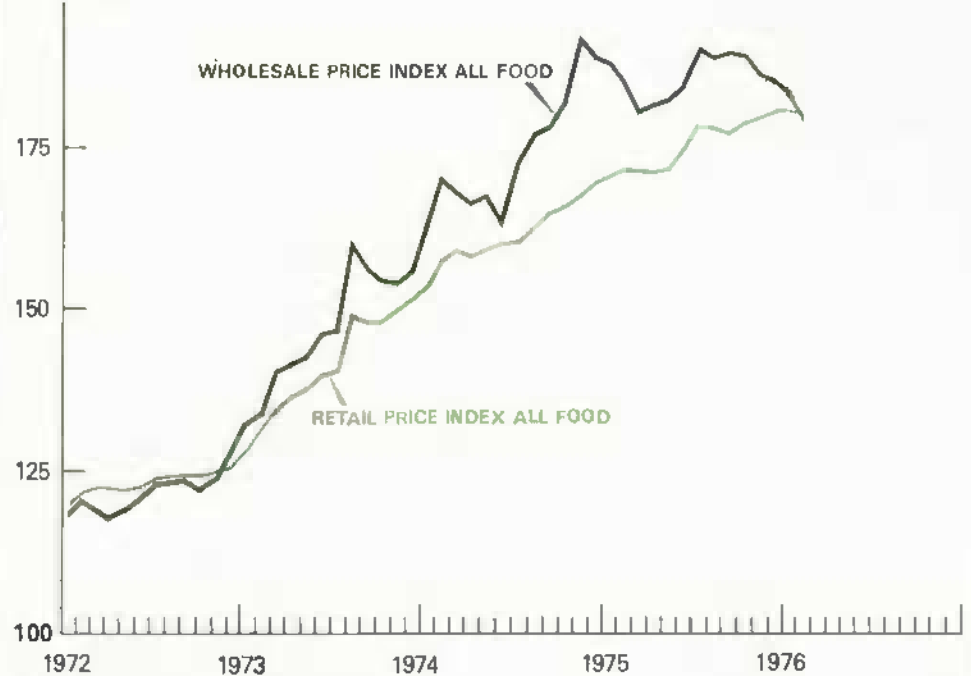
The return by marketers to more aggressive merchandising and pricing practices may be an additional element resulting from and reinforcing the effects of larger supplies. Many processed food products again appear to be trading below list prices. This is in contrast to some periods in recent years when, in some cases, products had to be allocated to buyers in order to ration supplies, and list prices were rising rapidly and were seldom discounted.

Food retailers in a number of areas also appear to be promoting and pricing more aggressively to move larger volumes and capture larger market shares. Terms such as "discounting," "price cutting," and "food price wars" have been used to describe conditions in some markets, particularly in the Midwest and on the West Coast. The extent to which these practices become more widespread will have important implications for average retail food prices in the months ahead.

The February Wholesale Price Index (WPI) for all foods fell almost 2 percent from January—the fifth consecutive monthly drop—and averaged 3 percent below February 1975. In contrast, wholesale prices of industrial commodities continued to edge upward, and in February were about

RETAIL FOOD PRICES DIP

% OF 1967



SOURCE: BUREAU OF LABOR STATISTICS.

6 percent above a year earlier. Although higher than a year ago, the February WPI for farm products dropped for the second successive month.

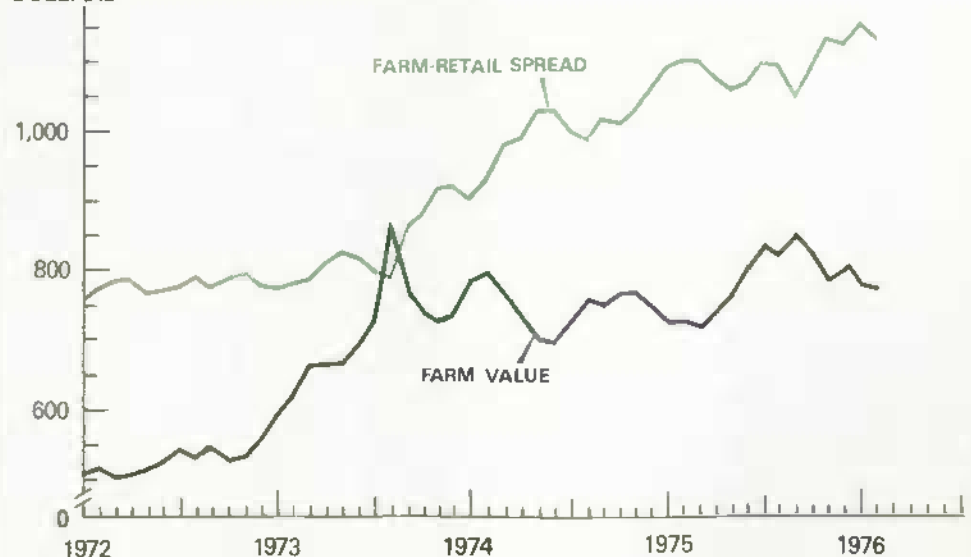
The monthly drop in wholesale prices for all foods this February reflected a 6½-percent decline for beef and veal and a 5 percent drop for pork, with both averaging sharply below their autumn highs. Wholesale prices of dairy products and eggs declined significantly. Prices for fresh fruits and vege-

tables, and sugar and confectionery products fell a little, although sugar prices were down 42 percent from February 1975. These monthly declines were somewhat offset by increases for poultry, fish, and beverages.

The Consumer Price Index (CPI) for all foods dropped 0.4 percent in February, reflecting a 0.7 percent decline for food at home which was partially offset by a 0.6 percent hike for food away from home. Compared with February 1975, the all foods

FARM-RETAIL SPREAD EASES*

DOLLARS



* THE SPREAD IS THE GROSS MARGIN RECEIVED BY MARKETING FIRMS FOR ASSEMBLING, PROCESSING, TRANSPORTING, AND DISTRIBUTING A MARKET BASKET OF FOOD. THE FARM VALUE IS THE GROSS RETURN TO FARMERS FOR EQUIVALENT AMOUNTS OF THESE FOODS.

index averaged nearly 5 percent higher, while nonfood items rose almost 7 percent.

The monthly decline in food-at-home prices largely reflected a 2 percent drop in red meat prices, which fell for the fourth consecutive month. Prices for poultry, fats and oils, cereal and bakery products, and processed fruits and vegetables also declined

from January to February. Sugar and sweets, fresh fruits and vegetables and dairy products showed little price change. However, fish, eggs, potatoes, and coffee prices averaged higher.

Market Basket Spreads Drop in February

Farm-retail price spreads for a market

basket¹ of farm foods decreased about 1 percent from January to February after increasing almost 9 percent from September to January. Spreads decreased for most foods with poultry, eggs, pork, and oilseed products accounting for most of the decline. In contrast, spreads for fresh fruits and vegetables increased. In February, the farm-retail

Participation in Food Programs Up in 1975

The number of participants in the Food Stamp Program remained relatively high during 1975. Having reached a peak of 19.2 million during the second quarter and then declining seasonally during the third quarter, participation increased only slightly in the fourth quarter to an average 18.9 million. Primary reasons for the continued high rate of participation include the high level of unemployment, increases in the income eligibility levels, and growing knowledge and acceptance of the program. In addition, continued growth occurred in Puerto Rico where the Food Distribution Program was completely switched to the Food Stamp Program by January 30, 1975. Although edging downward slightly in the fourth quarter, households not on public assistance still ac-

counted for over half of those receiving food stamps throughout the year.

During 1975 the total value of food stamps rose to \$8.3 billion—more than a 40 percent increase over 1974. Food stamp bonus (portion of stamps received free) rose 45 percent to \$5.1 billion. Purchases of food with stamp bonus accounted for nearly 4 percent of Personal Consumption Expenditures for food at home.

Some 25.7 million children participated in the School Lunch Programs during the last quarter of 1975, up slightly from a year earlier. The share of children receiving free or reduced-price lunches rose from 39 to nearly 41 percent. Changes in the School Lunch Program effective last January should expand participation further next school year.

In addition, 2.3 million children participated in the School Breakfast Program

during the fourth quarter last year, up from 1.8 million a year ago. During that period, about 2,000 more schools were offering the breakfast program.

Federal expenditures for the School Lunch Program reached \$442 million in October-December 1975, up 16 percent from the same months of 1974. Grants for the School Breakfast Program rose 54 percent to nearly \$37 million. In addition to program expansion, increases in reimbursement rates contributed to larger expenditures. Along with cash grants, schools received \$141 million in donated foods during the last quarter of 1975.

Total Federal expenditures on food through the various USDA food programs was \$7.4 billion during 1975, up a third from 1974. Much of the rise resulted from the large increase in the Food Stamp Program. (Larry Summers and Anthony Gallo)

Federal cost of USDA food programs

Year	Food stamps		Food distribution ²			Child nutrition ⁵				WIC ⁷	Total ⁸
	Total issued	Bonus stamps ¹	Needy families	Schools ³	Other ⁴	School lunch	School breakfast	Special food ⁶	Special milk		
\$ Mil.											
1970	1,925	1,104	294	272	35	366	14	16	96	—	2,197
1971	3,103	1,699	318	297	40	645	22	34	92	—	3,146
1972	3,615	1,980	271	283	40	764	28	44	91	—	3,501
1973	4,049	2,209	217	266	42	969	44	52	64	—	3,865
1974	5,868	3,498	115	390	37	1,157	68	90	88	32	5,475
I	1,316	794	47	129	9	367	20	9	21	1	1,396
II	1,353	799	37	65	10	274	16	15	16	6	1,239
III	1,488	885	17	63	6	139	8	54	15	10	1,199
IV	1,711	1,020	14	133	11	376	24	12	36	15	1,641
1975	8,331	5,075	13	404	35	1,365	101	118	132	122	7,365
I	1,996	1,223	4	145	11	423	28	13	39	21	1,907
II	2,064	1,254	3	92	10	342	25	21	33	31	1,811
III	2,125	1,303	3	26	7	165	12	71	18	34	1,639
IV ⁹	2,146	1,295	3	141	7	442	37	13	42	35	2,008

¹Includes Food Certificate Program. ²Cost of food delivered to State distribution centers. ³Includes Special Food Services. ⁴Includes supplement food, institutions, elderly persons. ⁵Money donated for local purchase of food, excluding nonfood assistance. ⁶Includes

Child-Care and Summer Food Programs. ⁷Special Supplemental Food Program for Women, Infants, and Children begun January 1974. ⁸Excludes those food stamps paid for by the recipient. ⁹Preliminary.

spread averaged 3.6 percent wider than a year earlier.

Retail prices for farm foods decreased almost 1 percent from January to February due largely to lower prices for beef, poultry, and oilseed products. Prices for eggs increased while prices for most other foods changed little. In February, the retail cost of the market basket averaged about 4½ percent above a year earlier.

Returns to farmers for the quantity of farm products equivalent to foods in the market basket decreased around 1 percent in February. Decreases were particularly sharp for beef cattle, poultry, and fresh fruits and vegetables, primarily oranges, lemons, lettuce, and tomatoes. Partially offsetting were significant increases for eggs and wheat. The farmer's share of the consumer's food dollar spent in retail food stores for farm foods averaged 40.4 cents in February, the same as in January. It was 39.8 cents a year earlier.

Record Price Spreads for Choice Beef

The retail price of Choice beef, which has declined 19 cents from its peak level last July, has only partially reflected the decline in cattle prices because of the increase in the farm-retail spread. Farm-retail spreads for Choice beef leveled in February after generally trending upward since last spring, but are still at a record high level. Last May, farm-retail spreads dropped to 44 cents a pound, their lowest level in almost 2 years, as cattle prices rose sharply. But by August, they had gained almost 15 cents, and as cattle prices declined last fall, the farm-retail spread widened further to a peak of 65 cents in January and February of this year—an increase of 21 cents since the low in May.

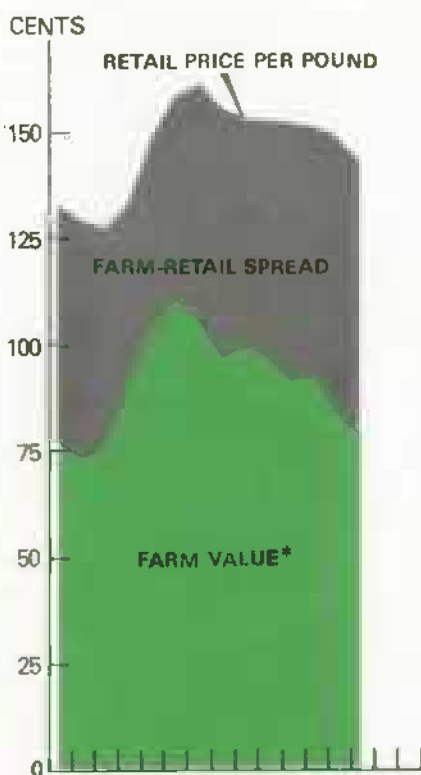
While the spread was increasing, the farm value (price the farmer receives for 2.28 pounds of live cattle, which is equivalent to a pound of retail Choice beef cuts) declined from \$1.10 in June to 78 cents in February this year—a drop of 32 cents. Market prices for Choice steers dropped from \$53 per hundredweight in June last year to \$38 this February.

All of the increase in the farm-retail spread for Choice beef since last May was in the carcass-retail component, which includes not only the gross margin for retailing, but also includes charges made for other

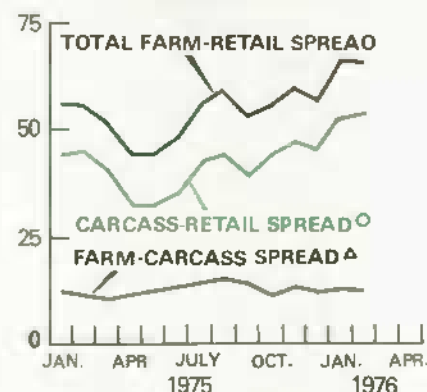
marketing services such as fabricating, wholesaling, and intracity transportation. The farm-carcass component changed relatively little during this period. This spread includes charges for marketing and slaughtering cattle, processing, and transporting to the city where consumed.

Farm-retail spreads for Choice beef may decrease from the record level in coming months as retail prices continue to reflect earlier decreases in cattle prices. Additional impetus for further decreases in spreads may develop if cattle prices strengthen in the spring and summer as expected. (Henry Badger)

RETAIL BEEF PRICES LAG FARM PRICES DROP...



... AS SPREADS WIDEN



* PAYMENT TO FARMER FOR 2.28 LBS. CHOICE STEER LESS ALLOWANCE FOR BYPRODUCTS. CHARGES FOR IN-CITY DELIVERY, WHOLESALING AND RETAILING.
△ CHARGES FOR MARKETING, SLAUGHTERING, CURING, PROCESSING, AND SHIPPING.

COMMODITIES

Winter wheat prospects continued to deteriorate during February in the dry southern and western Great Plains. But in other winter wheat areas, mild temperatures and adequate soil moisture kept the crop in good condition.

A recent report by the Soil Conservation Service, based on conditions as of February 29, indicated land damaged by wind erosion in the Great Plains totaled 4.6 million acres, 60 percent more than a year ago. Cropland accounted for 9 out of every 10 acres damaged. Texas was the most seriously affected, accounting for almost a fourth of the total. The number of acres subject to blowing was estimated at 17 million in the 10 Great Plains States, 70 percent more than a year earlier.

However, rain and snowstorms early in March halted crop deterioration, and the winter wheat crop in the central and southern Great Plains may have improved. The moisture generally benefited the wheat crop in Kansas, but was very limited in the southwest sections of Kansas where more rain is needed to reduce stress.

An indication of crop size will be available on April 9 when USDA's Statistical Reporting Service publishes a special report, based on April 1 conditions, covering harvested acreage, yield, and production for the most seriously affected winter wheat States—Texas, New Mexico, Oklahoma, Kansas, and Colorado.

Lagging export sales have prompted a reduction in the 1975/76 wheat export estimate from 1.3-1.4 billion bushels to 1.275-1.325 billion. Total disappearance of nearly 2 billion bushels will fall short of the record

¹ The market basket represents the average quantities of U.S. farm-originated foods purchased annually per household in 1960-61. Retail cost of these foods is based on an index of retail prices for domestically produced farm foods, a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products minus allowances for byproducts. The farm-retail spread is the difference between the retail cost and farm value.

1975 harvest. This will add 150 million bushels to stocks this year, bringing the total to around 475 million by July 1, 1976. This would be nearly 50 percent larger than a year ago and the largest carryover since the summer of 1972. (Frank Gomme)

Corn Export Estimate Raised; Domestic Feeding Shaved

Corn export projections for 1975/76 have been raised 100 million bushels because of heavier-than-expected world feed grain trade. Much of the prospective export increase likely will go to Western Europe where there may be less wheat fed and more livestock feeding than earlier expected. The new estimate of 1.5 to 1.6 billion bushels would be up sharply from last year's 1.15 billion and well above the previous high of about 1.25 billion.

Domestic feed use for corn has been lowered slightly from the previous estimate because of weakening livestock prices (especially for fed cattle) relative to costs of feed and feeder cattle. As a result, grain feeding rates per animal may slip a bit from earlier expectations. However, corn used in feeding is still expected to be up 10 to 15 percent from 1974/75.

If the new estimates of exports and feeding are realized, October 1 carryover stocks of corn would be around 460 to 560 million bushels, compared with last fall's 27-year low of 359 million. This means that another large crop would be needed this fall to meet expected demand in 1976/77.

In mid-March, Chicago cash corn was quoted at around \$2.70 per bushel, about

the same as in February, but prices have edged up since early in January. Prices likely will continue comparatively stable, at least until further information on first quarter feed consumption is available from USDA's April 22 stocks report. January-March feed use may be up about 10 percent from a year earlier. In addition, the market will be influenced by the weekly export pace and by weather at planting time. So far this season, exports have been running at the impressive rate of 33 million bushels a week. Moisture conditions appear good to excellent in the East, but some rains are needed to replenish subsoil moisture in parts of the western Corn Belt. (Jack Ross)

Soybean Use Strong

The demand for U.S. soybeans continues strong, both here and abroad. Use during September-January was up nearly a fifth from a year ago, as both crushings and exports expanded. Crushings for the entire season are expected to total 800 to 850 million bushels, compared with 701 million last year. Heavy use of soybean oil and meal is a major factor. Through January the crush totaled 351 million bushels, up 17 percent from a year ago. Soybean exports are estimated at 500 to 550 million bushels, compared with 421 million in 1974/75. So far they total 250 million bushels, up about a fifth. Despite increased domestic and export use, a further buildup in carryover stocks—possibly to 230 to 330 million bushels—is expected next September, up from 185 million a year ago.

Prices received by farmers for soybeans

during September-February averaged \$4.65 per bushel, compared with \$7.00 a year ago. The outlook for 1976 U.S. soybean production, developments affecting demand, feed mixing regulations in the European Community and the size of the 1976 Brazilian soybean crop to be harvested during April and May all lend uncertainty to soybean prices for the rest of the year. (Stanley A. Gazelle)

Cattle Feedlot Placements and Fed Marketings Continue Heavy

Placements of cattle on feed in seven States during February were 74 percent above the record low of last year. Lower fed cattle prices which have placed many cattle feeders back in a loss position apparently have had little impact on the level of cattle feeding. Some of the increase in placements may have been due to forced early movement of feeder cattle because of dry conditions. In drought-plagued Kansas, Texas, and California, placements on feed were double year-ago levels. Still, the strong market for replacement cattle would not indicate that forced movement was a significant problem.

While fed cattle prices in mid-March were mostly from \$35 to \$37 per 100 pounds, futures contracts maturing this summer and fall are currently selling at around \$43, and many feeders may be able to lock in a break-even position for cattle now being placed.

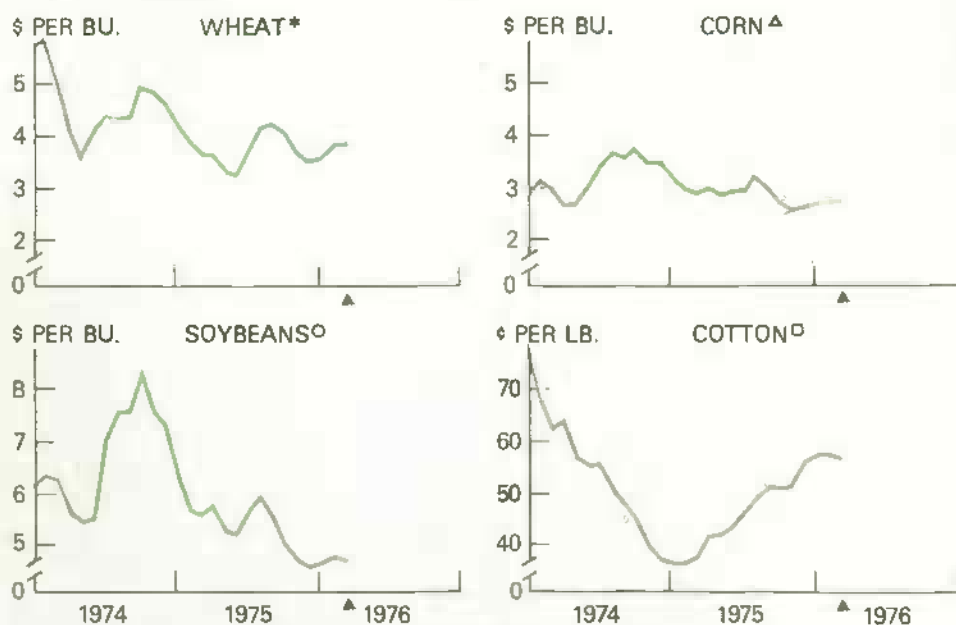
Fed cattle marketings continued heavy during February, following a buildup in on-feed inventories last fall. Fed marketings exceeded January by about 4 percent and were the largest for February since 1973. Fed cattle may have accounted for a little over 60 percent of commercial cattle slaughter in February, up from around 46 percent last fall.

Under pressure of more fed cattle and a continued heavy cow slaughter, fed steer prices in late February and March slipped to the lowest level in a year. In addition, the larger percentage of fed cattle in the slaughter mix and increased slaughter weights further expanded beef production.

Fed beef production likely will continue well above year-earlier levels through summer. Cattle-on-feed inventories on March 1 in the seven States were up about a half over last year's record low. Expected reductions in cow slaughter, however, may be offsetting.

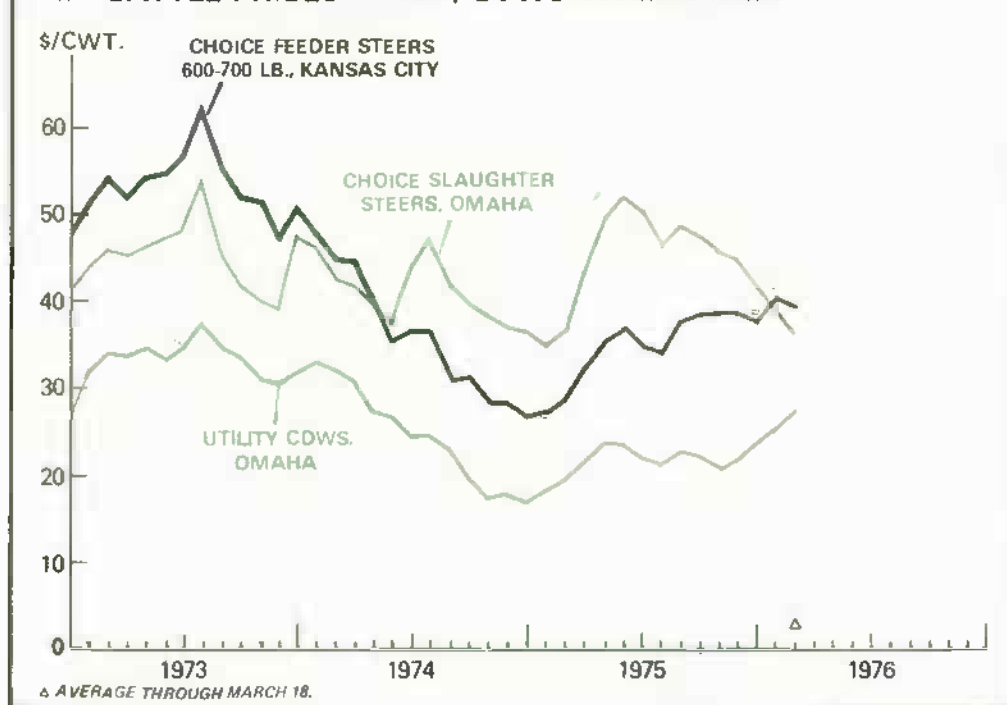
While fed cattle prices have moved lower, slaughter cow prices remain strong, reflecting the shift in the slaughter mix and resulting reduced supply of nonfed beef. Utility cows at Omaha in mid-March were bringing \$28 per 100 pounds, the highest since mid-1974. The difference in wholesale prices for Choice

GRAIN PRICES EDGE UP; COTTON LEVELS



* NO. 1 HARD WINTER, KANSAS CITY. ▲ NO. 2 YELLOW, CHICAGO. ○ NO. 1 YELLOW, CHICAGO. □ SPOT MARKET, 1-1/16" SLM. ▲ AVERAGE THROUGH MARCH 18.

FED CATTLE PRICES DOWN; COWS STRENGTHEN



grade beef and cow beef was the smallest in more than 2 years. When this price relationship is more fully reflected at retail, improved consumer demand for Choice beef should be a price-strengthening factor in the fed cattle market.

More Pork To Market In Second Half

While pork supplies will remain tight through midyear, expanded production during the second half of 1976 now seems certain. The 14-State survey of hog pro-

ducers on March 1 reported the on-farm inventory of all hogs and pigs up 1 percent from a year earlier, compared with 11 percent fewer hogs than the previous year last December 1.

The December-February pig crop increased by 16 percent while revised farrowing intentions for the March-May period suggest an increase of 10 percent over the same months in 1975. If the intentions are met, second half commercial hog slaughter could be up 12 to 14 percent, more than off-

setting expected reductions in slaughter during January-June.

Market hogs weighing in the 60 to 180 pound range on March 1 will provide most of the slaughter stock processed during April-June. In the 14 States surveyed, these hogs numbered 7 percent fewer than a year ago. While average slaughter weights normally increase seasonally during the spring, a backlog of heavy hogs carried into 1976 should lessen quarter-to-quarter weight differences this year. Still, weights during April-June may exceed the level of a year earlier, reflecting the more favorable livestock-feed price relationship. If so, commercial pork production during the second quarter may trail year-earlier levels by 5 to 6 percent.

Prices paid for barrows and gilts at seven markets averaged near \$48 per 100 pounds in early 1976. The previously wide farm-retail price spread has narrowed with retail prices beginning to reflect lower hog prices. However, the decline in the total spread has been largely from smaller packer margins. A continued squeeze on packer margins could add some downward pressure on hog prices in the near term. Increased pork production in the second half means that hog prices likely will be moving gradually lower as the year progresses. (Eldon Ball)

Poultry Production Picks Up

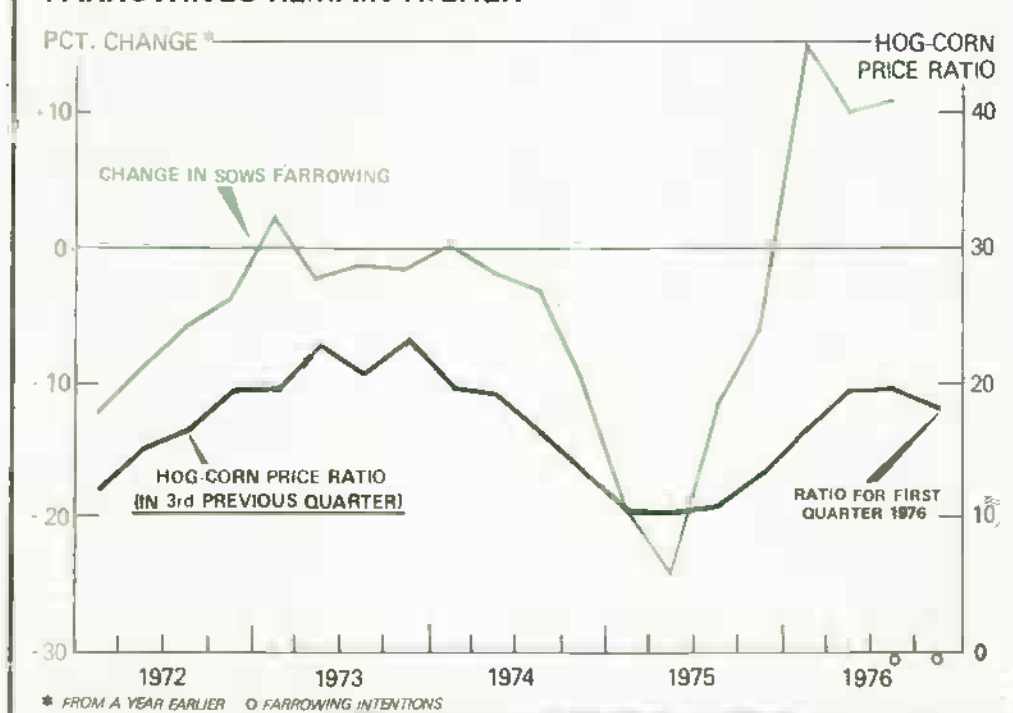
Producers continue to hold broiler meat output well above a year ago, with first half output likely to be up around 10 percent. And, barring a sharp rise in feed ingredient prices, producers' profit margins in coming months are expected to remain favorable. This will encourage producers to hold production well above a year earlier this spring and summer, although the margin over 1975 may narrow after midyear.

Broiler prices have fluctuated in early 1976, but the nine-city wholesale price during January-March averaged about 42 cents a pound, 1 cent above the same months of 1975. Higher prices for beef and pork than a year earlier plus gains in consumers' disposable incomes bolstered broiler prices early in 1976, despite larger output. Broiler prices may show some seasonal strength this summer, but they likely will remain in the low to mid-40 cents a pound range, compared with 50 cents during July-September 1975.

Turkey production, although seasonally light, is running substantially above 1975. Poultry production during September-January indicates first half 1976 output may be a fifth larger. Output likely will continue larger after midyear, but the increase over 1975 will narrow sharply.

Despite a 30-percent reduction in carry-over storage stocks, turkey prices eased in early 1976 largely because of expectations

FARROWINGS REMAIN HIGHER



of sharply higher first half output. However, New York wholesale prices for 8-16 pound young hen turkeys strengthened in February to average nearly 50 cents a pound, 3 cents above both January and a year earlier. Turkey prices may remain relatively strong in coming months, but they aren't likely to match 1975 prices next summer. (William Cathcart)

Milk Prices Slump

Farm milk prices have started a sharp seasonal decline from their December peak, following the early 1976 drops in wholesale dairy product prices. By February, the average price of manufacturing grade milk, which adjusts to market conditions much more rapidly than milk for fluid use, had fallen 72 cents per 100 pounds from December. For all milk, farmers received an average \$10 per 100 pounds in February, down 30 cents from December. Sharper declines are expected in coming months, even though farm milk prices this spring will still average 10 to 15 percent above a year earlier.

Wholesale dairy product prices also were sharply below December. In mid-March, butter prices were down about 22 cents per

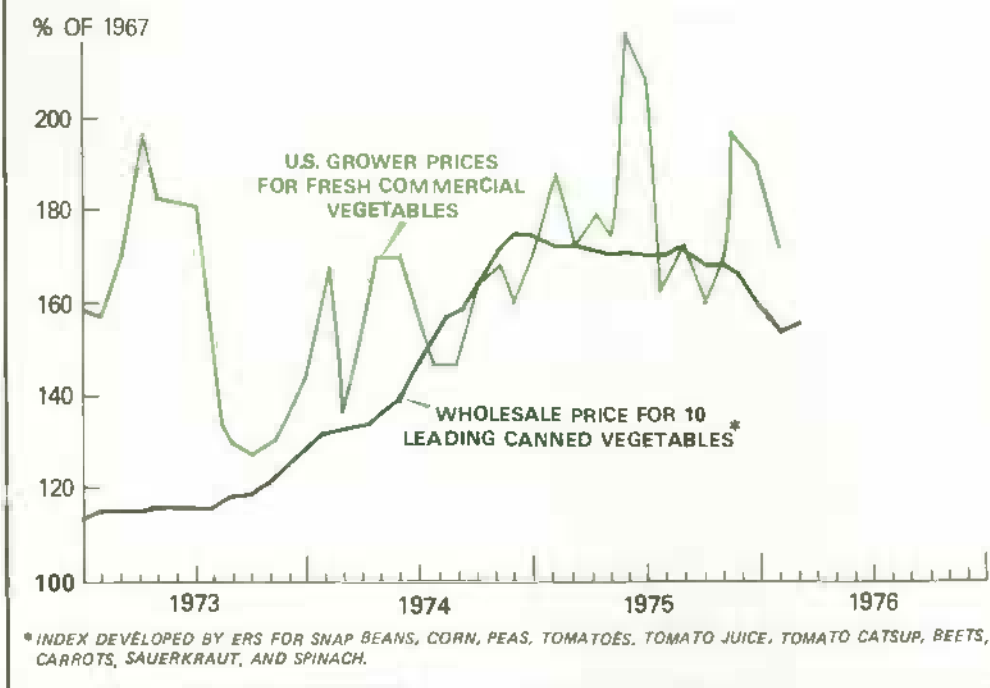
Dairy Support Price Boosted

The support price for manufacturing milk was increased to \$8.13 per 100 pounds effective April 1, the beginning of the 1976/77 dairy marketing year. This support price, at 80 percent of parity, represents a 42-cent boost from the \$7.71 in effect since last October and is 89 cents above the April 1, 1975, support level. This should help to limit seasonal declines in farm milk prices this spring. The new support level will be reviewed quarterly and adjusted if necessary to assure an adequate supply of milk.

The CCC stands ready to purchase—and thus remove from the commercial market—butter, Cheddar cheese, and nonfat dry milk to support average prices received by farmers for manufacturing grade milk. CCC purchase prices were increased 6.5 cents for butter to 87.75 cents a pound at New York and 5.5 cents for Cheddar cheese to 90.5 cents a pound. CCC did not change nonfat dry milk purchase prices, which remain at 62.4 cents per pound, since a larger portion of the support-price increase was assigned to cheese, and butter prices were also raised.

By holding nonfat purchase prices steady, CCC hopes to prevent a further buildup in its already large nonfat dry milk inventory. Outlets for CCC-owned nonfat dry milk are becoming increasingly scarce.

CANNED VEGETABLE PRICES STEADY



pound from their peak, American cheese was down 19 cents, and nonfat dry milk was off about 9 cents. Butter, cheese and nonfat dry milk prices were slightly above new support purchase prices announced for April 1. Wholesale dairy product prices probably will remain close to support purchase prices this spring.

Milk production in February was up almost 2 percent (on a daily average basis) from a year earlier, the same rate of gain posted each month since last November. Substantial increases are expected in coming months, although the rises may ease somewhat due to slightly heavier herd culling. (James J. Miller)

Spring Potato Supplies About Normal; Stocks Dwindle

Acreage of spring potatoes has increased 16 percent to 97,600, slightly less than most years of the early 1970's. Assuming 5-year-average yields, 1976 output would be about a tenth more than the small 1975 harvest of 20 million cwt. A crop this size is not expected to depress prices unduly this spring.

Potato stocks March 1 totaled 99 million cwt., 5 percent below year-earlier levels. A moderate drawdown of inventories in January was accentuated in February by stepped-up processing use and heavier exports. Fresh potato exports to points other than Canada during October-March registered a sharp increase of about 1.0 million cwt. from a year ago. Potatoes exported in dehydrated form were also up substan-

tially to regular customers. However, the ratio of exports to annual potato crop sales will remain small—about 3 percent for all forms in 1975/76, compared with slightly under 2 percent in the previous year.

Manufacturers of frozen potatoes (based on reports of 10 major firms) produced 1.1 billion pounds in July-December 1975, roughly 10 percent less than in the same 1974 period. However, the inventory correction that prompted slower processing was over by January 1976. For the first half, frozen potato production could run at a pace about equal to a year ago. End-of-season cold storage holdings consequently will not be burdensome.

The decline in canned vegetable prices may have about run its course, as the industry is now planning to cut back 1976 processing activity. With relatively large supplies of tomato products, snap beans, and peas on hand, contracted acreage of canning vegetables promises to be less this year.

Bean Prices Weaken

In the absence of strong export demand—which usually provides most of the spark to the U.S. dry bean trade—dry bean prices to growers have plummeted sharply from last September's peak of just over \$26 per cwt. for all classes. The February 1976 average was some \$19.

The price weakness is further emphasized since the 1975 crop was 15 percent below the record high a year earlier. Total output of white classes was the smallest of recent record—40 percent less. But pinto bean growers, anticipating another year of heavy

exports to Mexico, planted heavily, and a 22 percent larger colored bean harvest resulted in 1975. This year the Mexicans have produced more closely to their normal needs, as is their usual pattern.

Total exports during September 1975 to January 1976 have come to only 1.3 million cwt., less than half year-earlier levels. Domestic requirements—which tend to be relatively constant from year to year—also have been somewhat below average. Movement of canned beans (mostly white classes) apparently has been impeded by heavier supplies and lower prices of competing canned and frozen vegetables. (Charles Porter and Joseph Combs)

Orange Prices To Rise Seasonally

Growers' prices for oranges have increased since November and by February were sharply above a year earlier. A slightly smaller crop—pegged at about 232 million boxes as of March 1—and good demand were chiefly responsible. With a moderately smaller Valencia crop in prospect, grower prices for oranges are expected to remain above year-earlier levels through the spring.

Because of the prospective record grapefruit crop, U.S. grower prices for all grapefruit likely will continue to average below a year ago. A strong gain in exports so far this season is probably offsetting some of the price-depressing impact of the record crop.

Attractive Prices Encourage Strawberry Growers

With attractive prices for fresh strawberries the last few seasons, growers are increasing acreage. Based on early season estimates reported in March, the winter crop in Florida rose a tenth above 1975 output. Also acreage for spring harvest in California and Louisiana is up 7 percent.

Florida's 1976 season got off to a late start, and U.S. fresh shipments through early March were substantially lower than last year. Consequently, shipping point prices were sharply higher. Supplies of fresh strawberries from Mexico were also off sharply, delayed by cold weather. Although prices will decline seasonally with increased volume, lower imports from Mexico may keep domestic prices firm during the next couple of months. (Andrew Duymovic and Ben Huang)

Cotton Exports Surge

Foreign demand for U.S. cotton, in the doldrums for the past 2 years because of reduced consumption abroad, has bounced back sharply during recent months. Chiefly as the result of more competitive U.S. prices and some recovery in textile activity in the Far East, export sales for 1975/76 delivery

totaled over 0.8 million bales during the 8-week period ending March 7, double that sold in the previous 23 weeks combined. As a result, the U.S. export commitment for this marketing year now stands at slightly over 3 million bales. With additional export sales likely in coming months, we could export as much as 3½ million bales during 1975/76.

U.S. demand for cotton products also has picked up recently, as evidenced by a 3-percent increase in January mill consumption and continuing large cotton textile imports. Strengthening domestic demand primarily reflects the growing popularity of "natural look" apparel fabrics, as well as a return to more normal consumption patterns following drastic cutbacks during the recent recession.

If the 7.4-million-bale annual rate of consumption reached in January continues during the next few months, 1975/76 use may total near the upper end of our estimated range of 6.8 to 7.3 million bales. However, cotton still faces stiff competition from manmade fibers. Also, U.S. mill activity will depend on the level of cotton textile imports during the remainder of the season. Imports during January totaled a record 136,000 equivalent bales of raw cotton, slightly above December imports and double the year-earlier level. These imports were equivalent to nearly a fourth of January U.S. mill consumption.

Following sharp increases during 1975, spot market cotton prices have leveled in early 1976. The price of base quality Strict Low Middling (SLM) 1-1/16-inch cotton in mid-March was around 55 cents per pound, slightly below a month earlier but around 18 cents above a year ago. These stronger cotton prices, combined with lower prices for most competing crops, are spurring larger cotton acreage this year. (Russell Barlowe)

Wool Prices Rising

Raw wool prices are rising as a result of the current tight supply-demand situation. Farm prices in February averaged 53 cents per pound (grease basis), up 5 cents from January and 18 cents above a year ago. Fine wool prices at Boston are averaging about 35 percent above a year earlier. Further price increases are expected, although gains will be more moderate than in mid- and late 1975.

On January 1, 1976, stock sheep numbers were down 8 percent from 1975 and a similar decline is likely in shorn wool production this year. With 40-percent-lower carryover stocks and reduced domestic raw wool output in prospect, apparel wool imports must rise to meet the growing domestic demand.

To Hedge Or Not To Hedge, That Is The Question

How can a farmer pin down a price for his output before making a large investment in the necessary inputs? How can he determine whether a price offer is adequate? Should he sell forward if crop prospects are uncertain?

A new ERS report, *Farmers' Use of Forward Contracts and Futures Markets. AER-320*, may help farmers answer these questions for their own situations. The report describes different types of forward selling, the factors a farmer should weigh in deciding upon it, and the major pitfalls involved. To obtain copies, use the order blank on the inside back cover of this issue.

A fashion swing back to natural fibers sharply boosted second half 1975 apparel wool consumption. Mill use for the year reached 94 million pounds (clean basis), up 25 percent from 1974. In the fourth quarter, apparel wool was being consumed at an annual rate of 110 million pounds, and this rate was maintained in January. Whether the current demand for wool represents a true change in consumer preferences or is a product of the expansion phase of the business cycle (when consumers are more quality than price conscious) remains to be seen. (Sam Evans)

Growth in Tobacco Supplies Could Curtail 1976 Plantings

Despite a small gain in July-January 1975/76 U.S. cigarette production and stable domestic leaf exports supplies of flue-cured and burley tobaccos remain above year-earlier levels. Combined carryover at the end of the 1975/76 marketing year (June 30 for flue-cured and September 30 for burley) will reach almost 3 billion pounds, about 7 percent higher than the 1974/75 carryover.

Farmers' planting intentions for 1976 tobacco are not reported until mid-April. However, output projections based on farm quotas (basic quotas plus net undermarketings from the 1975 quotas) indicate a flue-cured crop of 1,340 million pounds, down 5 percent, and a burley crop near the 638 million pound 1975 crop.

U.S. tobacco exports gained 5 percent in value in 1975 to a record \$1.25 billion. Unmanufactured exports were worth \$852 million, despite a decline in volume. Manufactured exports were worth \$401 million, with cigarettes accounting for about 92 percent of the value. (Richard Hall)

Target Prices and Loan Rates Increased

Target prices in 1976 for wheat, corn, sorghum, barley and upland cotton have been raised by 12 to 14 percent over last year, depending on the crop, in accordance with the Agriculture and Consumer Protection Act of 1973. That Act requires that target prices for the 1976 crop be adjusted to reflect changes during 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates. For 1974 and 1975, target prices were specified in the 1973 Act at the same level for both years.

Eligible producers will receive deficiency payments when national average market prices fall below the established target prices during the first 5 months of the marketing season. However, the payment rate cannot exceed the difference between the target price and the loan rate. Target prices are also used to determine disaster payments when producers qualify for such payments.

Loan rates are also being raised this year from the minimum levels set by the legislation, with the increase at about the same rate as for target prices. These nonrecourse loans offer agricultural producers an opportunity to obtain cash and hold their crops for later sale and to even out marketings. In determining loan rates, a number of factors are taken into consideration, including, for example, world markets for wheat and corn and the relative feeding values of the various grains.

Anniversary loans which were implemented for 1975 crops will be continued for 1976 crops and also include soybeans. Loans

will mature 12 months from the first day of the month in which the loan was made. For example, if a corn farmer places his 1976-crop corn under loan on March 10, 1977, the loan on that corn will mature March 1, 1978. The interest rate on loans for commodities, storage facilities, and drying equipment will remain at the current 7½ percent through March 31, 1977.

Minimum resale prices were also raised. In the event the Commodity Credit Corporation (CCC) acquires commodities again, these prices will assure producers that government-owned crops will be sold only at prices above target levels. However, currently the government owns practically no grain or cotton. (Cecil Davison)

Soybean Loan Program Reinstated

Because of expanded production of Brazilian soybeans and Asian palm oil, a loan program has been reinstated for 1976-crop soybeans. No loan program was in effect for 1975. The 1976 loan rate will be \$2.50 a bushel, which compares with the 1974 soybean loan level of \$2.25.

Agricultural Policymaking Reorganized

Agricultural policymaking machinery at the Federal level is being reorganized. A new Agricultural Policy Committee, whose scope will include both domestic and international issues, is being formed to consolidate agricultural policymaking into one group. This cabinet-level committee will be chaired by the Secretary of Agriculture. The Committee will report directly to the President and will advise him on the formulation, coordination, and implementation of all agricultural policy. The new group replaces the International Food Review Group and the Economic Policy Board/National Security Council Food Committee.



WORLD AGRICULTURE AND TRADE

Western Europe should experience an upturn in crop production this year and tight beef supplies by the end of 1976. A drop in EC beef production is expected to be accompanied by an increase in consumption and some rebuilding of herds. This should result in reduced intervention stocks and higher beef imports.

These developments, together with an economic upswing now getting underway in most of Western Europe and continued strong demand for poultry and hog feeds, should give some stimulus to the import demand for our major farm exports to Western Europe. The region will again account for roughly a third of our total agricultural exports.

However, the export picture for U.S. protein feed is clouded due to EC efforts to reduce surpluses of nonfat dry milk. The EC has adopted a plan, effective April 1, designed to incorporate 400,000 tons of nonfat dry milk in animal feeds. This will displace corresponding amounts of imported soybeans and other protein feeds, most of which come from the United States. Enforcement of the EC regulation involves import deposits on oilseeds and other protein.

The impact of the 8-percent drop in the 1975 West European grain crop on the world's total supply of grain was softened by their large carryover stocks available at the start of 1975/76. Nevertheless, Western Europe's expected 1975/76 total grain

Target, loan and minimum resale prices

Crop	Target prices		Loan rates		Minimum resale prices ¹	
	1975	1976	1975	1976	1975	1976
Wheat (\$ per bu.)	2.05	2.29	1.37	1.50	2.36	2.63
Upland Cotton (cts. per lb.) . .	38.00	43.20	34.27	37.12	43.70	49.70
Corn (\$ per bu.)	1.38	1.57	1.10	1.25	1.59	1.81
Sorghum (\$ per bu.)	1.31	1.49	1.05	1.19	1.51	1.71
Sorghum (\$ per cwt.)	2.34	2.66	1.88	2.13	2.70	3.05
Barley (\$ per bu.)	1.13	1.28	.90	1.02	1.30	1.47
Oats (\$ per bu.)	—	—	.54	.60	.78	.87
Rye (\$ per bu.)	—	—	.89	1.00	1.28	1.45
Soybeans (\$ per bu.)	—	—	—	2.50	—	3.62

¹ Including carrying charges.

imports of 33 million tons, excluding intra-EC trade, will be a little larger than a year earlier, while estimated exports of 11 million tons will be smaller. Drops in carryover stocks are also anticipated. These changes are being caused not only by the drop in the West European crop, but also by an increase in grain feeding. Quantities of coarse grain fed this marketing year, estimated at 85 million tons, could be almost 3 million tons above a year earlier. The severe potato crop shortfall may have boosted demand for feed-stuff imports, since some European countries use relatively large amounts of potatoes for feed.

The EC became a net exporter of wheat for the first time in 1974/75, and its exports of wheat may again exceed imports by small amounts in 1975/76. The area in corn appears to have leveled off in the EC, but an increasingly larger area is being planted with the new high-yielding varieties of soft wheat which are not fit for breadmaking.

Partly because of these developments, the EC will establish for the first time in 1976/77 a support price for utility wheat lower than the support price for bread wheat. It will also begin to narrow the differences among the support prices of various feed grains, with the aim of adopting a single support price for all feed grains in 1977/78. This involves raising the support price of corn to that of barley as well as lowering the support price of feed wheat. The objectives of the EC in narrowing these differences are to: (1) discourage production of feed wheat, (2) stimulate production of corn; (3) improve the competitiveness of soft wheat and barley relative to corn as a feed ingredient; and (4) discourage imports of corn, most of which come from the United States. (Omero Sabatini)

Eastern Europe Turns To Western Grain

The United States is playing a larger-than-historic role in supplying grain to Eastern Europe this year because of the USSR's inability to provide the usual 4 million tons. Grain became the leading U.S. export to the region in fiscal 1975—a position it will hold in fiscal 1976—replacing oilseed and products.

Poland, aware of its grain import needs in the next 5 years, formally expressed its intention to buy 2.5 million tons of U.S. grain annually, though this figure may fluctuate by 20 percent in either direction.

The United States' grain export commitment to Eastern Europe for fiscal 1976, as of mid-February, was about 6 million tons, including 3.6 million actually shipped. U.S. grain exports for the year should reach about 7 million tons, 40 percent of it wheat. This would be close to three times the fiscal

1975 total.

The value of all U.S. agricultural exports to the region in 1974/75 was \$746 million including transshipments, and should rise to \$1.2 billion this fiscal year. A \$75 million CCC (Commodity Credit Corporation) credit line has been extended to Poland since December—\$25 million for wheat, \$40 million for feed grains, and \$10 million for cotton. Yugoslavia got \$38.5 million of CCC credit for soybean oil purchases. Credit negotiations for Polish and Romanian soybean purchases are in progress.

Eastern Europe's total grain imports from all sources this year are estimated at 12.1 million tons, up from 10.7 million in fiscal 1975; however, the region's exports, mainly corn, should also be up, rising from 2.6 million to 4.3 million tons. Hungary will be the principal grain exporter with about a 45-percent share.

The United States imported \$172 million in agricultural products from East Europe in fiscal 1975. Imports valued at \$142 million in the first 7 months of this fiscal year were considerably ahead of a year earlier. Increased purchases of pork and pork products contributed to the growth.

In calendar 1975 compared with 1974, gross agricultural production was up in Bulgaria, Hungary, and Romania, but down in the rest of the countries of the region. Grain output in Eastern Europe was about 88 million tons last year, 3 million less than in 1974 but still the second best year on record. The drop in production was caused primarily by weather conditions.

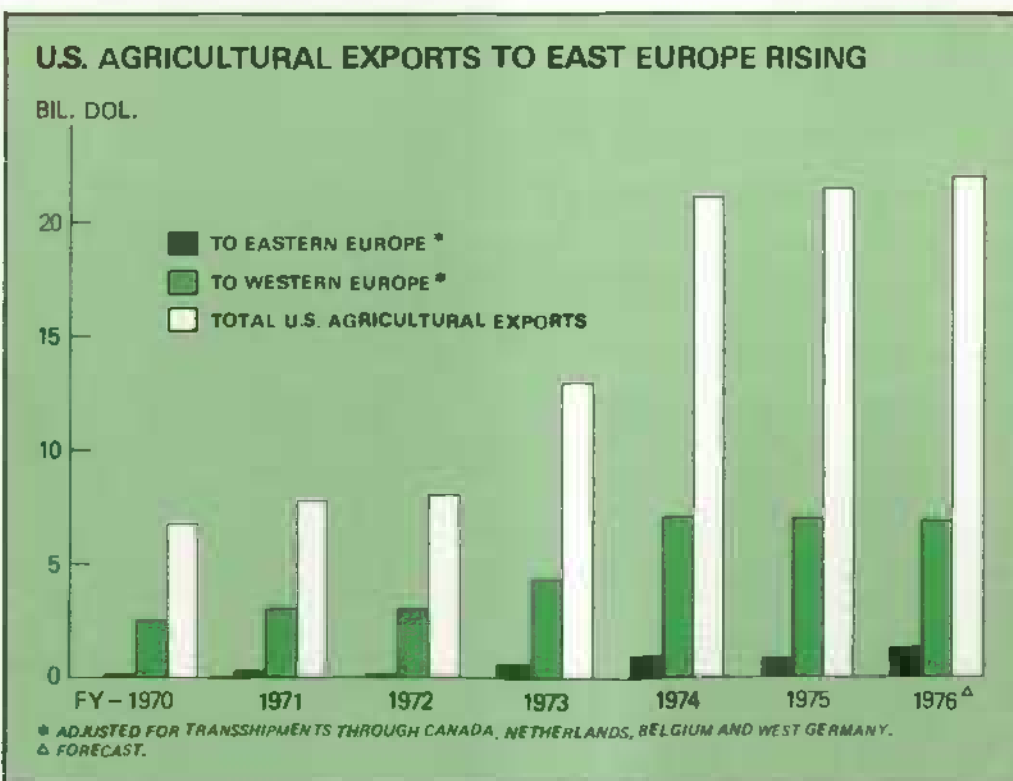
The shortfall was most severe in the regular grain-deficit countries of the region; Poland produced about 3 million tons less grain in 1975, and Czechoslovakia and East Germany each produced about 1 million tons less.

However, it was not necessary to totally compensate for the grain shortfall with increased imports because of the decline in hog numbers, adequate beginning stocks, and reduced concentrate feeding to ruminants. Also, a restrictive import policy is being followed by all countries of the region to stop further deterioration in their balance of trade.

While grain production in the grain-deficit countries of Eastern Europe is ultimately aimed toward achieving self-sufficiency, this cannot be accomplished for protein requirements. However the combined area of leading oilseeds—sunflowerseed, rapeseed, and soybeans—increased about 90,000 hectares in 1975 mainly because of restoration of the traditional rapeseed growing area from the low level of 1974.

Total oilmeal imports may decline from the fiscal 1974 high of 3.6 million tons, but estimated imports this fiscal year will remain above 3 million tons, of which the United States may supply about a fourth. Efforts have been made in most of the countries to increase feed-pulse production and make better use of alfalfa.

The sugarbeet area was expanded in calendar 1975 by 12 percent, but production increased only 4 percent. The potato crop suffered most seriously from drought,



falling 14 percent on a 4-percent reduced area. Production declines in Poland and East Germany—the two countries where potatoes are used principally for feed—significantly reduced the domestic feed base.

Hog numbers on January 1, 1976, were down 2 to 3 percent from a year earlier, following 7-percent average annual gains over the last 5 years. Reduced grain supplies were responsible for the reduction in hog numbers.

The region's estimated total meat production was up about 5 percent in 1975. Pork, which makes up close to 60 percent of total meat output, had the largest quantitative increase, but poultry meat increased at a faster rate.

Foreign demand picked up for pork and pork product exports, and some relaxation occurred in the European Community's (EC) beef embargo. In 1975, Hungary, the leading exporter of live cattle for slaughter, shipped out 105,000 tons live weight of slaughter cattle (160,000 head), just 15,000 tons less than the peak reached in 1973. More than two-thirds of these exports went to the USSR, 25 percent to the EC, and 7 percent to Arab countries, in contrast to 1973 when almost all exports went to the EC. To regain the EC market, Hungary agreed to purchase, in the first quarter of this year, 5,000 tons of frozen beef from the EC in exchange for 20,000 tons of live-weight cattle exports. Hungary increased its exports of slaughtered poultry by 20 percent last year to 420,000 tons. Yugoslavia, the principal beef exporter, did not regain in 1975 the 30,000 tons—

almost half—of its beef market lost in 1974. (Thomas Vankai)

Soviet Crop Hit By Winterkill

Damage to the Soviet winter grain crop from cold, dry weather appears to be worse than usual, although plantings last fall expanded and should largely compensate.

The area seeded to winter grains was over 5 million acres more than in fall 1974, with the drought and cold mainly affecting the southern part of European USSR which is predominantly a winter wheat area. North of this region, snow cover is believed to have provided protection for the crop.

In recent years, spring barley has been the principal grain used in reseeding winterkilled areas. However, spring barley yields about 20 percent less than winter wheat in the Ukraine.

Coffee Pact Percolating, Along With Prices

A new 6-year International Coffee Agreement (ICA), if ratified, should encourage producers to restore and maintain higher production levels. The Agreement went before Congress after President Ford authorized its signing in February. It came after nearly a year of negotiations between 43 exporting nations—all developing countries—and 18 importing countries, including the United States.

The ICA is supposed to help stabilize the flow of coffee into world markets. It establishes no fixed prices nor will it raise prices

above long-term trends. Consumption is still expected to exceed production for the next few years, and that will continue to draw down world stocks.

The Agreement should increase the export earnings of the developing countries and offer them additional incentives to supply available coffee to the markets of consuming-country members. Coffee is the largest nonpetroleum export of the developing world.

U.S. coffee imports (green) were valued at almost \$1.6 billion in 1975, up about \$60 million from 1974.

Under ICA, export quotas will be introduced when prices drop to a preset level but will be suspended when prices rise sharply. Because current prices are high, the United States does not expect quotas to be imposed until possibly 1979.

Export performance during the first 2 years of the Agreement will be a major factor in the calculation of individual producing-country export shares in the event quotas are imposed. A country which improves its export performance during this period will be rewarded with a quota increase lasting the life of the ICA.

Two-thirds of exporting and importing nations alike who were party to the negotiations must accept the Agreement, which will then become effective in October.

Meanwhile, retail coffee prices in the United States continue to rise under a tight world supply situation and the prospect of a reduced Brazilian crop. (Barbara S. Blair)

SUBSCRIPTION ORDER FORM

ENTER MY SUBSCRIPTION TO AGRICULTURAL OUTLOOK AT \$19.50 DOMESTIC, \$24.40 FOREIGN.

Send Subscription to:

NAME—FIRST, LAST		
COMPANY NAME OR ADDITIONAL ADDRESS LINE		
STREET ADDRESS		
CITY	STATE	ZIP CODE

PLEASE PRINT OR TYPE

- ☐ Remittance Enclosed (Make checks payable to Superintendent of Documents)
- ☐ Charge to my Deposit Account No.

MAIL ORDER FORM TO:
Superintendent of Documents
Government Printing Office
Washington, D.C. 20402

BARLEY



Per acre costs of growing barley averaged \$60 in 1975 and are projected to average around \$63 in 1976. Yields increased at about the same rate as per acre costs in 1975, which kept unit costs fairly stable. However, unit costs this year may increase about 7 cents from 1975's average of almost \$1.50 a bushel, if yields hold about steady.

Operating costs account for about 63 percent of barley production costs, machinery ownership for 27 to 29 percent, and overhead for the remainder.

Per bushel costs are lowest in the Northwest followed by the Southwest. Last year, costs in the Northern Plains, which accounts for almost half of U.S. barley production, were near the average for all the regions reported. Production costs ranged regionally from around \$1.30 a bushel in the Northwest to some \$1.80 in the Northeast.

Barley production costs	Northeast	Northern Plains	Southern Plains	Southwest	Northwest	Average all regions
Share of U.S. output in 1974 (%)	2.8	45.7	4.5	17.1	16.9	87.0
Cost per acre				1975		
Operating expenses (\$)	59.57	33.70	38.61	48.92	40.87	37.74
Machinery ownership (\$)	18.70	17.48	16.71	12.22	16.04	16.50
Overhead (\$)	7.00	4.65	4.70	9.34	5.91	5.40
Total (\$)	85.27	55.83	60.02	70.48	62.82	59.64
Yield (bu.)	47.0	37.3	38.7	49.2	48.1	40.7
Cost per bushel (\$)	1.81	1.50	1.55	1.43	1.31	1.47
Cost per acre				1976		
Operating expenses (\$)	60.55	34.62	40.16	51.16	41.94	38.93
Machinery ownership (\$)	20.19	18.94	18.20	13.17	17.47	17.90
Overhead (\$)	7.48	5.54	5.01	9.98	6.31	5.76
Total (\$)	88.22	59.10	63.37	74.31	65.72	62.59
Yield (bu.)	52.8-49.1	39.8-36.1	41.4-37.7	49.7-46.0	45.9-42.2	42.5-38.8
Cost per bushel (\$)	1.67-1.80	1.48-1.63	1.53-1.68	1.50-1.62	1.43-1.55	1.47-1.61

OATS

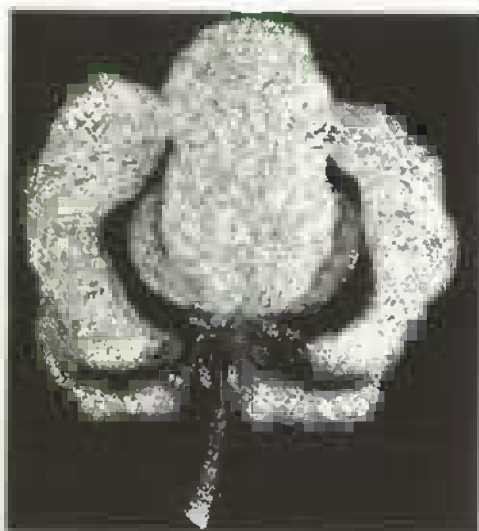


Production costs may climb 5 to 6 percent in 1976 from about \$48 per acre last year. Per bushel costs rose around 11 percent in 1975, but that gain was less than the rise in per acre costs since yields were also up. Unit costs may hold fairly stable this year, if yields increase as projected. The breakdown of production costs for growing oats into operating, machinery, and overhead expenses is similar to barley.

Per acre and per bushel costs appear to be highest in the Northeast. Per acre costs in the Lake States and Corn Belt are generally higher than in the Northern Plains, but yields are also higher. However, the costs per bushel in the Northern Plains remain the lowest. In 1975, unit costs varied from around \$1.00 a bushel in the Northern Plains to \$1.75 in the Northeast.

Oat production costs	Northeast	Lake States & Corn Belt	Northern Plains	Average all regions
Share of U.S. output in 1974 (%)	6.7	57.1	24.9	88.6
Cost per acre			1975	
Operating expenses (\$)	62.58	32.22	22.29	30.17
Machinery ownership (\$)	17.19	15.39	11.38	13.92
Overhead (\$)	5.60	4.96	2.87	4.04
Total (\$)	85.37	52.57	36.54	48.13
Yield (bu.)	48.9	49.0	37.3	44.4
Cost per bushel (\$)	1.74	1.07	.98	1.08
Cost per acre			1976	
Operating expenses (\$)	63.79	33.47	22.94	31.19
Machinery ownership (\$)	18.57	17.05	12.29	15.28
Overhead (\$)	5.98	5.30	3.06	4.31
Total (\$)	88.34	55.82	38.29	50.78
Yield (bu.)	54.1-46.8	54.8-47.5	46.0-38.7	51.3-44.0
Cost per bushel (\$)	1.63-1.89	1.02-1.17	.83-.99	.99-1.15

COTTON



Operating, machinery, and overhead costs of growing cotton in 1976 are expected to increase around 8 percent from last year's \$202 per acre. However, if 1976 yields top last year's low level, costs per pound of lint may hold about the same as 1975's 41 cents, after deducting a value for the cottonseed sold by farmers.

Last year's poor yields—which were nearly a tenth below normal—meshed with a lower value for cottonseed and higher production costs to bring about a 24-percent boost in average production costs per pound of lint.

Operating expenses make up about three-fourths of the production costs included in this analysis. However, the composition of inputs varies considerably by region. Producers in the Southeast use large quantities of fertilizer and crop chemicals, while those in the Southern Plains use less fertilizer and only small amounts of crop chemicals, but yields are considerably lower. Southwest producers use large amounts of inputs per acre and have correspondingly high yields. Virtually all the cotton in this area is irrigated. With normal weather in 1976, costs per pound of lint are expected to be lowest in the Southwest and highest in the Southeast. Last year, costs ranged from around 31 cents a pound in the Southwest to 57 cents in the Southeast.

Cotton production costs	Southeast	Delta	Southern Plains	Southwest	Average all regions
Share of U.S. output in 1974 (%)	11.4	30.4	25.2	30.4	97.5
Cost per acre			1975		
Operating expenses (\$)	185.46	148.59	99.66	333.62	149.84
Machinery ownership (\$)	47.63	56.67	32.14	51.19	42.96
Overhead (\$)	7.76	9.33	7.11	21.33	9.37
Total (\$)	240.85	214.58	138.91	406.14	202.17
Yield (lbs. of lint)	375.4	421.4	264.1	1,015.8	412.5
Cost per lb. of lint (cts.)	64.2	50.9	52.6	40.0	49.0
Value of cottonseed (cts.)	7.2	8.1	7.6	9.1	8.1
Remaining cost per lb. of lint (cts.)	57.0	42.8	45.0	30.9	40.9
Cost per acre			1976		
Operating expenses (\$)	196.12	159.85	110.48	349.86	161.01
Machinery ownership (\$)	51.60	61.41	34.93	55.37	46.60
Overhead (\$)	8.29	9.96	7.59	22.77	10.00
Total (\$)	256.02	231.22	153.00	428.00	217.61
Yield (lbs. of lint)	449.2-364.2	512.4-428.1	364.8-280.5	1,018.5-934.2	491.8-407.5
Cost per lb. of lint (cts.)	57.0-70.3	45.1-53.9	42.0-54.5	42.0-45.7	44.2-53.4
Value of cottonseed (cts.)	7.2	8.1	7.6	9.1	8.1
Remaining cost per lb. of lint (cts.)	49.8-63.1	37.0-45.8	34.4-46.9	32.9-36.6	36.1-45.3

GRAIN SORGHUM



Per acre costs of growing grain sorghum averaged around \$77 in 1975 and may rise some 5 to 6 percent this year. Unit costs in 1976 will likely be similar to 1975's \$1.55 per bushel, since yields may increase at about the same rate as per acre costs.

Operating costs comprise about 65 percent of included costs, machinery ownership 28 percent, and overhead the remainder.

The Southwest has the highest per acre and per bushel costs with almost all grain sorghum produced under irrigation, but it accounts for only a small share of total output. The Plains States, with their \$1.50 to \$1.60 per bushel costs in 1975, account for about 90 percent of U.S. grain sorghum output.

Grain sorghum production costs	Northern Plains	Southern Plains	Southwest	Average all regions
Share of U.S. output in 1974 (%)	34.5	55.8	4.2	94.5
Cost per acre		1975		
Operating expenses (\$)	45.46	50.97	113.26	50.33
Machinery ownership (\$)	15.07	26.66	22.55	21.51
Overhead (\$)	5.55	5.46	9.69	5.61
Total (\$)	66.08	83.09	145.50	77.45
Yield (bu.)	44.2	53.3	71.2	49.9
Costs per bushel (\$)	1.50	1.56	2.04	1.55
Cost per acre		1976		
Operating expenses (\$)	47.55	52.84	117.78	52.38
Machinery ownership (\$)	16.38	28.06	24.31	23.43
Overhead (\$)	5.93	5.84	10.35	5.99
Total (\$)	69.86	86.74	152.44	81.80
Yield (bu.)	56.1-48.5	57.7-50.1	77.1-69.5	56.5-48.9
Cost per bushel (\$)	1.25-1.44	1.50-1.73	1.98-2.19	1.45-1.67

CORN



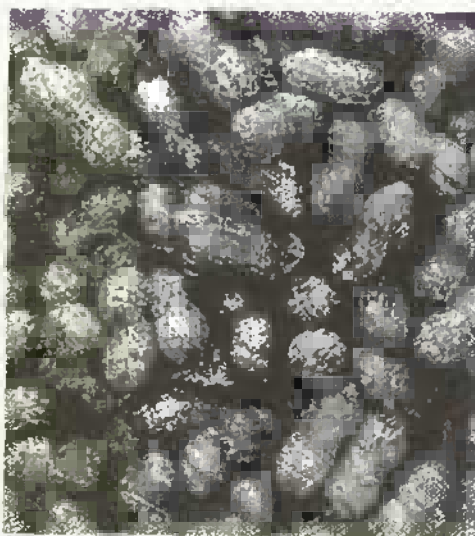
Operating, machinery, and overhead costs for corn are expected to rise around 6 percent this year from 1975's estimated \$127 per acre. Yields for the 1976 crop could increase by about the same rate as per acre costs, resulting in little change in unit costs.

Operating costs account for about 75 percent of the costs included in this study. Machinery ownership costs account for 17 to 19 percent and are rising because of higher machinery prices. General farm overhead costs make up the remaining 6 to 8 percent.

Costs of raising a bushel of corn are highest in the Southeast and Northeast due primarily to high application rates of fertilizers and crop chemicals, although yields are lower than in the Corn Belt. Per acre costs are highest in the Southwest, but since the bulk of this acreage is under irrigation, yields are the highest of any region and per bushel costs are less than in the Northeast or Southeast. In 1975, per bushel operating, machinery, and overhead costs, which averaged \$1.50, ranged from a low of around \$1.40 per bushel in the Corn Belt—Lake States area to \$2.15 in the Southeast. Since about 70 percent of the corn comes from the Corn Belt—Lake States, these costs are the most significant.

Corn production costs	Northeast	Lake States & Corn Belt	Northern Plains	Southeast	Southwest	Average all regions
Share of U.S. output in 1974 (%)	29.7	69.0	13.7	8.9	0.6	94.7
Cost per acre			1975			
Operating expenses (\$)	119.23	97.66	77.06	106.83	140.19	95.85
Machinery ownership (\$)	35.74	21.43	27.00	19.03	25.95	22.49
Overhead (\$)	8.92	8.61	8.21	7.41	14.69	8.54
Total (\$)	163.89	127.70	112.27	133.27	180.83	126.88
Yield (bu.)	80.13	92.25	73.58	62.13	96.00	85.78
Cost per bushel (\$)	2.05	1.38	1.53	2.15	1.88	1.48
Cost per acre			1976			
Operating expenses (\$)	121.32	102.07	79.93	107.06	144.51	99.54
Machinery ownership (\$)	38.58	24.96	29.46	20.54	27.98	25.59
Overhead (\$)	9.52	9.20	8.77	7.92	15.69	9.12
Total (\$)	169.42	136.23	118.16	135.52	188.18	134.25
Yield (bu.)	87.7-77.7	102.6-92.6	87.8-77.8	68.1-58.1	103.0-93.0	96.2-86.3
Cost per bushel (\$)	1.93-2.18	1.33-1.47	1.35-1.52	1.99-2.33	1.83-2.02	1.40-1.56

PEANUTS



Costs of growing peanuts this year are expected to rise some \$15 from \$241 per acre in 1975. Yields increased in 1975 and could show further gains this year. Unit costs have been rising slightly.

Operating expenses account for 80 percent of production costs shown here. Major cost components include fertilizer, chemicals, labor, and drying.

The three regions represented have different cost structures. Producers in the Southern Plains generally use much less fertilizer and chemicals, but yields there also are lower. As a result, costs per pound are generally highest in the Southern Plains and lowest in the Southeast where yields are much higher. Unit costs for these three areas range from 8 to 12 cents per pound.

Peanut production costs	Virginia & N. Carolina	Southeast	Southern Plains	Average all regions
Share of U.S. output in 1974 (%)	18.9	62.5	17.4	98.8
Cost per acre		1975		
Operating expenses (\$)	210.92	211.54	149.25	193.42
Machinery ownership (\$)	27.60	30.94	34.45	31.35
Overhead (\$)	17.10	19.78	9.43	16.34
Total (\$)	255.62	262.26	193.13	241.11
Yield (lbs.)	2,546.4	3,160.0	1,655.0	2,612.7
Cost per pound (cts.)	10.0	8.3	11.7	9.2
Cost per acre		1976		
Operating expenses (\$)	222.79	223.84	157.26	204.37
Machinery ownership (\$)	29.78	33.39	37.53	33.92
Overhead (\$)	18.27	21.13	10.08	17.44
Total (\$)	270.84	278.36	204.87	255.73
Yield (lbs.)	2,753.2-2,557.0	3,362.2-3,166.0	1,838.8-1,642.6	2,810.4-2,614.2
Cost per pound (cts.)	9.8-10.6	8.3-8.9	11.1-12.5	9.1-9.8

WHEAT



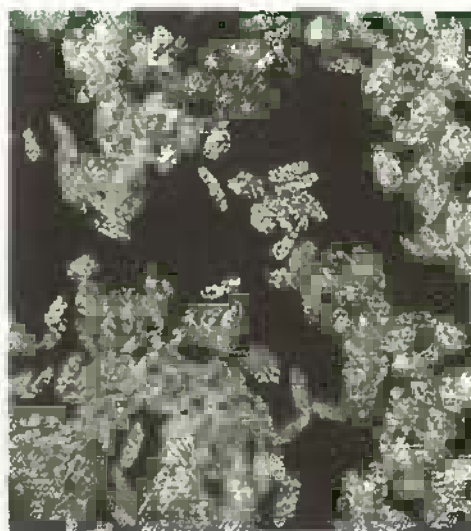
Per acre costs for all wheat averaged about \$56 in 1975 and are expected to increase around 4 percent this year, although per bushel costs may change little. However, the unit cost estimates for 1976 are based on projections of relatively normal yields. If the poor weather in the Great Plains causes a sharp reduction in yields, unit costs of raising winter wheat would increase. However, there might be some decrease in per acre costs—in harvesting, for example. Among other wheat classes, unit costs may decrease slightly this year for durum and other spring wheat, but increase considerably for white wheat due to projected lower yields.

Costs of producing wheat are presented by class rather than by region. However, this breakdown also reflects regional differences since classes of wheat are generally grown in different parts of the country. Last year, unit costs varied from around \$1.40 per bushel for white wheat to some \$2.25 for durum and other spring wheat. Around 70 percent of the white wheat was produced in the Northwest, while almost two-thirds of the durum and other spring wheat comes from the Northern Plains, primarily North Dakota.

Operating costs account for two-thirds of included wheat production costs, machinery represents a fourth, and overhead the remainder.

Wheat production costs	Wheat class					Average all classes
	Durum	Spring	White	Soft	Hard	
Share of U.S. output in 1974 (%)	99.3	85.6	59.5	99.0	96.6	91.6
Cost per acre			1975			
Operating expenses (\$)	37.68	37.05	41.28	54.88	32.23	37.18
Machinery ownership (\$)	16.78	14.92	13.23	13.35	12.71	13.53
Overhead (\$)	5.32	5.03	6.33	5.05	5.23	5.33
Total (\$)	59.78	57.00	60.84	73.28	50.17	56.04
Yield (bu.)	26.6	25.7	43.0	35.6	26.1	28.4
Cost per bushel (\$)	2.25	2.22	1.41	2.06	1.92	1.97
Value of wheat pasture (\$)	—	—	—	—	.11	.06
Remaining cost per bushel (\$)	2.25	2.22	1.41	2.06	1.82	1.91
Cost per acre			1976			
Operating expenses (\$)	39.02	38.03	42.10	54.69	33.33	38.05
Machinery ownership (\$)	18.13	16.14	14.30	14.63	13.81	14.70
Overhead (\$)	5.68	5.37	6.76	5.40	5.59	5.69
Total (\$)	62.83	59.54	63.16	74.72	52.73	58.44
Yield (bu.)	31.1-27.3	29.9-26.1	31.1-27.3	38.7-34.9	29.5-25.7	31.6-27.8
Cost per bushel (\$)	2.02-2.30	1.99-2.28	2.03-2.31	1.92-2.14	1.79-2.05	1.85-2.10
Value of wheat pasture (\$)	—	—	—	—	.11	.06
Remaining cost per bushel (\$)	2.02-2.30	1.99-2.28	2.03-2.31	1.92-2.14	1.68-1.94	1.79-2.04

RICE



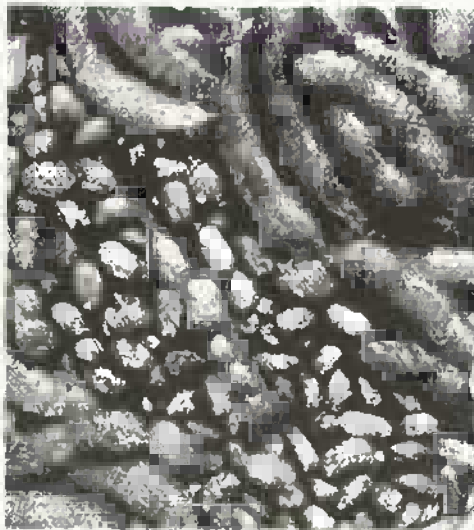
Per acre costs for rice averaged about \$268 in 1975 and may be up around 2 percent this year. If rice yields hold near 1975, unit costs will increase only slightly from last year's average of around \$5.90 per cwt.

The Mississippi Delta region accounts for most of the Nation's rice crop. Rice acreage has been expanding in this region in recent years, although yields have been declining.

Texas appears to have the highest costs both on an acre and unit basis, due primarily to larger outlays for fertilizer and pesticides. California has the highest yields and the lowest unit costs. In 1975, unit costs ranged regionally from around \$4.70 per cwt. in California to some \$6.40 in Texas. The Delta came in at about \$6.20.

Rice production costs	Mississippi Delta	Texas	California	Average all regions
Share of U.S. output in 1974 (%)	59.0	19.0	21.0	99.0
Cost per acre			1975	
Operating expenses (\$)	196.93	239.66	204.55	206.72
Machinery ownership (\$)	46.40	38.08	41.09	43.78
Overhead (\$)	15.99	18.06	24.81	17.92
Total (\$)	259.32	295.80	270.45	268.42
Yield (cwt.)	41.96	45.87	57.30	45.60
Cost per cwt. (\$)	6.18	6.44	4.72	5.88
Cost per acre			1976	
Operating expenses (\$)	198.52	236.37	209.37	207.94
Machinery ownership (\$)	49.32	41.48	44.59	46.93
Overhead (\$)	17.08	19.29	26.50	19.14
Total (\$)	264.92	297.14	280.46	274.01
Yield (cwt.)	44.3-41.3	46.1-43.1	58.5-55.5	47.0-44.0
Cost per cwt. (\$)	5.98-6.41	6.45-6.89	4.79-5.05	5.83-6.23

SOYBEANS



The costs of raising soybeans may approach \$70 per acre in 1976, up around \$5 from last year. Yields in 1975 rebounded from 1974's level, resulting in a decline in cost per bushel to around \$2.35. If yields in 1976 hold about the same as in 1975, costs per bushel could rise by 6 to 7 percent.

Operating costs, particularly for fertilizer, are lower for soybeans than for cotton and most feed grains. Hence, these costs account for only two-thirds of included production costs, compared with some three-fourths for cotton and corn.

Per bushel costs are consistently lower in the Corn Belt and Lake States due to better yields than in other regions. Regional per acre costs are similar, except in the Southeast where higher chemical and fertilizer application rates push up expenditures. Last year, unit costs ranged from around \$2.00 a bushel in the Corn Belt-Lake States area to \$3.60 in the Southeast.

Soybean production costs	Lake States & Corn Belt	Northern Plains	Southeast	Delta	Average all regions
Share of U.S. output in 1974 (%)	63.4	4.6	14.4	14.4	96.8
Cost per acre			1975		
Operating expenses (\$)	40.61	31.47	60.33	43.74	43.75
Machinery ownership (\$)	14.78	14.22	15.68	19.90	15.76
Overhead (\$)	5.82	7.06	5.19	5.56	5.79
Total (\$)	61.21	52.75	81.20	69.20	65.30
Yield (bu.)	31.0	23.2	22.5	22.9	27.9
Cost per bushel (\$)	1.98	2.28	3.61	3.02	2.34
Cost per acre			1976		
Operating expenses (\$)	42.84	33.33	62.65	45.89	45.96
Machinery ownership (\$)	16.61	15.39	16.92	21.50	17.42
Overhead (\$)	6.22	7.54	5.55	5.94	6.19
Total (\$)	65.67	56.26	85.12	73.33	69.57
Yield (bu.)	32.0-30.0	25.2-23.2	23.5-21.5	23.4-21.4	28.9-26.9
Cost per bushel (\$)	2.05-2.19	2.23-2.42	3.63-3.96	3.13-3.42	2.40-2.59

¹ R. Krenz, G. Garst, and C. Micheel are with the Commodity Economics Division, Economic Research Service; S. Rodgers and D. Fawcett are with Oklahoma State University.

² The 1975 and 1976 cost estimates were generated from the Firm Enterprise Data System (FEDS), an Economic Research Service (ERS) project conducted cooperatively with the Department of Agricultural Economics, Oklahoma State University.

³ Cost of production data for 1974 are reported in *Cost of Producing Selected Crops in the United States-1974*, prepared by the Economic Research Service for the Committee on Agriculture and Forestry, U.S. Senate, Jan. 1976, and in *Costs of Producing Selected Crops in the United States, 1974-A Summary*, ERS-620, ERS, USDA, December 1975, Wash., D.C.

STATISTICAL INDICATORS

FARM INCOME

Gross And Net Farm Income¹

Items	Annual			1973			1974				1975p			
	1973	1974	1975p	II	III	IV	I	II	III	IV	I	II	III	IV
\$ Bil.														
Cash receipts from farm marketings	86.9	93.5	90.6	84.2	92.0	95.2	98.4	90.1	91.5	94.1	82.7	92.6	95.4	91.6
Nonmoney and other farm income ²	8.4	7.6	8.6	8.4	8.4	8.4	7.4	7.5	7.7	7.8	8.4	8.5	8.7	8.8
Realized gross farm income	95.3	101.1	99.2	92.6	100.4	103.6	105.8	97.6	99.2	101.9	91.1	101.1	104.1	100.4
Farm production expenses ³	65.3	72.9	75.5	63.6	68.7	69.5	72.2	72.7	73.3	73.5	73.5	74.9	76.5	76.9
Farmers' realized net income	30.0	28.2	23.7	29.0	31.7	34.1	33.6	24.9	25.9	28.4	17.6	26.2	27.6	23.5
Net change in farm inventories	3.6	-1.6	2.3	3.4	4.8	3.9	1.1	-1.6	-3.1	-2.9	-0.5	1.0	3.0	5.5
Farmers' total net income	33.6	26.6	26.0	32.4	36.5	38.0	34.7	23.3	22.8	25.5	17.1	27.2	30.6	29.0

¹ Quarterly data are seasonally adjusted at annual rates. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from

recreation, machine hire, and custom work. ³ As of January 1976, production expenses revised for 1961-75.

Cash Receipts From Farming

Items	Annual			1975						1976
	1973	1974	1975	Jan	Aug	Sept	Oct	Nov	Dec	Jan
\$ Mil.										
Farm marketings and CCC loans ¹	86,875	93,521	90,572	7,440	7,619	8,695	11,276	10,174	8,722	8,003
Livestock and products	45,824	41,424	43,245	3,208	3,567	4,089	4,467	3,944	3,977	3,820
Meat animals	30,403	25,257	26,110	1,891	2,108	2,598	2,884	2,426	2,310	2,241
Dairy products	8,080	9,399	9,790	755	792	798	862	861	940	964
Poultry and eggs	6,824	6,285	6,871	524	628	656	685	623	677	576
Other	517	483	474	38	39	37	36	34	50	39
Crops	41,051	52,097	47,327	4,232	4,052	4,606	6,809	6,230	4,745	4,183
Food grains	7,086	9,276	8,744	611	1,217	1,142	998	544	460	466
Feed crops	10,604	13,882	12,751	1,425	1,017	979	1,554	1,784	1,551	1,297
Cotton (lint and seed)	2,787	2,975	2,609	411	52	78	373	535	489	416
Tobacco	1,570	2,146	2,136	227	319	403	352	304	346	286
Oil-bearing crops	7,585	9,604	8,023	679	368	533	1,937	1,490	732	890
Vegetables and melons	4,450	5,358	5,298	303	572	792	830	412	278	328
Fruits and tree nuts	3,401	3,476	3,367	212	274	372	393	323	296	222
Other	3,568	5,380	4,399	364	233	307	372	838	593	278
Government payments	2,607	530	808	140	44	46	76	50	77	83
Total cash receipts ²	89,482	94,051	91,380	7,580	7,663	8,741	11,352	10,224	8,799	8,086

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Cash Receipts¹ From Farm Marketings, By States, January

State	Livestock and Products		Crops ²		Total ²	
	1975	1976	1975 \$ Mil.	1976	1975	1976
NORTH ATLANTIC						
Maine	19.8	21.8	11.5	15.5	31.3	37.3
New Hampshire	4.3	5.0	1.8	1.6	6.1	6.6
Vermont	15.6	20.8	1.3	1.2	16.9	22.1
Massachusetts	9.1	10.0	16.2	14.3	25.3	24.3
Rhode Island	1.0	1.1	.8	.7	1.8	1.8
Connecticut	10.6	12.8	37.9	30.0	48.5	42.8
New York	87.6	109.4	29.8	35.5	117.5	144.9
New Jersey	9.5	10.2	8.9	6.8	18.4	17.1
Pennsylvania	90.1	107.0	51.7	50.5	141.8	157.5
NORTH CENTRAL						
Ohio	82.7	91.9	94.1	133.3	176.8	225.2
Indiana	108.1	118.7	165.0	188.9	273.1	307.6
Illinois	156.2	171.4	435.1	568.9	591.3	740.3
Michigan	58.4	73.3	75.8	66.2	134.2	139.5
Wisconsin	134.4	206.8	47.0	49.8	181.4	256.7
Minnesota	159.9	182.7	156.6	148.2	316.5	330.9
Iowa	309.1	350.3	367.6	350.8	676.7	701.1
Missouri	133.5	158.2	107.2	92.9	240.7	251.1
North Dakota	41.9	59.6	92.5	109.5	134.5	169.1
South Dakota	93.5	119.0	48.3	46.5	141.8	165.5
Nebraska	177.4	211.8	186.9	193.1	364.3	404.9
Kansas	120.6	157.7	167.1	158.0	287.8	315.7
SOUTHERN						
Delaware	15.3	16.1	4.7	3.1	20.0	19.2
Maryland	30.3	35.6	11.9	6.9	42.2	42.4
Virginia	34.1	40.0	22.4	19.7	56.6	59.7
West Virginia	6.7	7.3	5.0	3.3	11.8	10.5
North Carolina	81.0	86.4	49.9	30.7	130.9	117.1
South Carolina	21.5	24.0	28.6	25.3	50.1	49.3
Georgia	86.6	97.0	45.4	27.9	131.9	124.9
Florida	46.0	52.3	248.9	248.4	294.9	300.7
Kentucky	48.9	57.3	151.3	199.3	200.2	256.6
Tennessee	39.1	44.9	29.2	46.5	68.3	91.4
Alabama	58.1	62.5	29.7	34.4	87.8	97.0
Mississippi	44.6	50.2	86.4	101.8	131.0	152.0
Arkansas	69.6	77.9	106.8	59.5	176.4	137.4
Louisiana	23.9	28.1	142.7	63.9	166.6	92.0
Oklahoma	67.2	90.7	67.4	50.8	134.6	141.4
Texas	186.2	227.6	306.2	314.1	492.4	541.7
WESTERN						
Montana	20.0	26.1	64.3	49.1	84.2	75.2
Idaho	30.9	37.7	78.2	57.6	109.1	95.3
Wyoming	12.2	15.7	8.5	4.2	20.7	20.0
Colorado	103.4	124.5	44.7	38.0	148.1	162.5
New Mexico	26.5	32.6	13.6	13.6	40.1	46.2
Arizona	40.1	50.2	66.7	55.8	106.9	106.0
Utah	14.7	17.5	10.6	5.5	25.2	23.0
Nevada	7.5	9.6	2.7	2.9	10.2	12.5
Washington	33.2	41.2	115.8	95.0	149.0	136.2
Oregon	25.2	30.6	37.9	37.7	63.1	68.3
California	206.5	231.6	326.4	302.7	532.9	534.3
Alaska2	.2	.1	.1	.3	.3
Hawaii	5.1	5.3	22.4	22.4	27.6	27.7
UNITED STATES						
Grand Total	3,208.1	3,820.0	4,231.7	4,182.9	7,439.8	8,002.9

¹Estimates as of the first of current month. ²Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Marketing Indexes (Physical Volume)

Items	1975												1976
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
	1967=100												
All commodities	114	89	89	89	90	99	112	111	128	169	159	134	120
Livestock and products	104	94	100	103	102	99	100	101	110	124	112	109	105
Crops	128	80	73	69	70	99	129	126	151	234	225	170	143

Prices Received By Farmers, U.S. Average

Commodities	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Crops										
All wheat (\$/bu.)	3.16	4.48	3.68	3.95	4.11	4.02	3.58	3.41	3.43	3.66
Rice, rough (\$/cwt.)	11.00	13.94	10.15	11.30	8.88	8.86	8.45	8.29	7.87	7.55
Corn (\$/bu.)	1.89	2.92	2.70	2.86	2.76	2.62	2.33	2.37	2.44	2.48
Sorghum (\$/cwt.)	3.20	4.59	4.31	4.21	4.56	4.43	4.05	4.00	4.06	4.09
All hay, baled (\$/ton)	39.10	49.10	51.40	49.30	50.80	50.30	50.20	51.60	52.70	54.30
Soybeans (\$/bu.)	6.50	6.42	5.24	5.72	5.32	4.92	4.45	4.28	4.46	4.50
Cotton, Upland (cts./lb.)	32.46	51.26	41.19	32.60	46.80	49.80	49.70	50.00	49.90	49.80
Potatoes (\$/cwt.)	4.25	5.72	4.18	3.15	4.14	3.89	4.02	4.17	4.52	4.80
Dry edible beans (\$/cwt.)	16.90	32.30	20.30	18.40	26.20	24.40	21.10	20.60	20.00	18.80
Apples for fresh use (cts./lb.)	10.7	10.9	11.5	10.0	11.7	9.3	8.7	8.7	8.5	8.3
Pears for fresh use (\$/ton)	¹ 192	² 200	² 185	136	157	150	172	181	187	188
Oranges, all uses (\$/box) ³	1.93	1.96	1.65	1.34	2.02	1.76	1.51	1.82	1.83	1.93
Grapefruit, all uses (\$/box) ³	2.02	1.84	1.80	1.70	2.08	2.07	1.50	1.60	1.38	1.25
Livestock										
Beef cattle (\$/cwt.)	43.00	35.80	32.90	26.90	34.80	34.40	33.20	34.50	33.50	34.20
Calves (\$/cwt.)	57.00	38.60	27.30	24.30	27.40	27.40	29.20	30.70	31.40	34.40
Hogs (\$/cwt.)	39.40	34.30	47.50	38.40	58.50	58.00	49.00	47.50	47.50	47.90
Lambs (\$/cwt.)	35.30	37.40	42.00	38.10	40.40	42.30	43.90	46.20	47.70	46.80
All milk, sold to plants (\$/cwt.)	7.20	8.34	8.72	8.28	9.16	9.66	9.99	10.30	10.20	⁴ 10.00
Milk, manuf. grade (\$/cwt.)	6.30	7.13	7.69	7.04	8.22	8.72	8.99	9.27	9.07	⁴ 8.55
Broilers (cts./lb.)	24.2	21.7	26.4	24.6	29.8	28.8	27.2	24.0	24.3	25.2
Eggs (cts./doz.) ⁵	54.1	52.9	52.8	54.3	55.8	52.8	57.7	64.1	62.2	59.8
Turkeys (cts./lb.)	34.8	28.8	33.2	30.8	36.0	36.1	36.5	36.0	33.6	32.1
Wool (cts./lb.) ⁶	82.7	59.1	45.2	35.3	46.2	50.4	54.8	52.8	48.4	53.1

¹Ten month average. ²Eleven month average. ³Equivalent on-tree returns. ⁴Preliminary. ⁵Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁶Average local market price, excluding incentive payments.

Indexes Of Prices Received And Paid by Farmers, U.S. Average

Items	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov ²	Dec	Jan	Feb
1967=100										
Prices Received										
All farm products	172	184	181	168	194	193	185	187	186	187
All crops	164	214	194	192	202	199	188	188	188	190
Food grains	214	299	240	259	262	256	231	220	220	232
Feed grains and hay	162	242	231	241	235	226	208	210	214	218
Feed grains	161	246	232	245	237	228	206	207	211	214
Cotton	144	227	179	144	197	220	219	221	220	220
Tobacco	129	148	162	166	166	166	157	157	157	157
Oil-bearing crops	208	230	195	214	197	187	170	163	167	170
Fruit	136	143	146	132	157	144	139	138	129	135
Fresh market ¹	139	141	143	124	157	140	133	132	127	131
Commercial vegetables	135	144	168	171	163	155	161	177	175	160
Fresh market	157	156	181	188	172	159	169	196	190	171
Potatoes ²	204	293	221	174	230	216	209	211	224	231
Livestock and products	179	164	172	151	188	190	184	187	185	185
Meat animals	198	165	175	144	197	195	179	181	179	182
Dairy products	140	160	167	159	173	183	192	196	196	192
Poultry and eggs	175	162	173	170	186	179	188	195	189	185
Wool	201	146	114	89	117	127	138	133	122	134
Prices Paid										
Commodities and services, interest, taxes, and wage rates	145	169	185	180	189	189	189	189	193	193
Family living items	138	161	177	175	180	180	182	182	183	183
Production items	146	172	188	180	194	192	192	192	193	194
Feed	164	192	186	192	187	186	180	181	183	184
Feeder livestock	188	144	127	103	139	140	141	143	142	153
Interest per acre on farm real estate debt	192	227	265	265	265	265	265	265	302	302
Taxes per acre on farm real estate	146	154	162	162	162	162	162	162	169	169
Wage rates (seasonally adjusted)	155	174	189	187	189	192	192	192	211	211
Production items, interest, taxes, and wage rates	150	174	190	184	195	194	193	194	199	200
Prices received (1910-14=100)	438	467	459	427	492	490	470	475	472	475
Prices paid, etc. (Parity index) (1910-14=100)	496	578	632	616	646	645	645	647	659	661
Parity ratio	88	81	73	69	76	76	73	73	72	72

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans.

WHOLESALE AND RETAIL PRICES

Wholesale Price Index, U.S. Average (not seasonally adjusted)

Commodity group	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1967=100									
All commodities	134.7	160.1	174.9	171.3	177.7	178.9	178.2	178.7	179.4	179.4
Industrial commodities	125.9	153.8	171.5	168.4	173.1	174.7	175.4	176.1	177.3	178.1
All foods ¹	146.9	174.4	186.0	185.6	189.7	189.1	186.0	185.2	183.2	179.7
Farm products and processed foods and feed	159.1	177.4	184.2	179.5	190.4	190.5	186.1	186.0	184.6	182.0
Farm products	176.3	187.7	186.7	174.6	197.1	197.3	191.7	193.8	192.8	191.0
Fruits and vegetables ²	168.1	192.3	183.7	169.0	182.6	183.3	179.0	190.3	194.8	192.6
Grains	183.6	257.9	223.9	242.8	232.9	227.4	207.9	205.5	210.5	214.3
Livestock	190.4	170.6	187.8	152.0	209.9	207.8	193.4	191.6	184.7	179.5
Poultry, live	179.5	157.4	189.8	176.7	203.9	210.8	203.7	181.3	169.0	173.1
Fibers, plant and animal	197.8	193.9	153.1	135.4	164.0	164.5	167.0	179.5	193.5	186.5
Milk	145.0	172.8	180.2	172.1	186.0	197.6	207.9	212.7	212.3	207.6
Eggs	165.7	160.6	159.8	162.4	174.4	158.4	175.8	192.3	182.0	177.0
Oilseeds	231.2	232.2	198.5	215.6	196.4	184.4	168.8	166.9	170.0	173.2
Processed foods and feeds	148.1	170.9	182.6	182.6	186.1	186.2	182.6	181.0	179.4	176.4
Meats	163.4	159.6	188.7	159.0	209.3	209.1	198.3	196.0	190.4	180.3
Beef and veal	163.6	158.6	176.3	142.7	192.7	183.7	174.7	183.0	173.1	162.0
Pork	160.5	162.3	214.7	181.8	250.0	255.5	239.0	223.9	224.6	213.5
Poultry	177.2	157.3	184.1	170.5	196.5	202.6	195.8	177.7	164.5	170.1
Fish	190.8	204.6	218.7	206.5	229.5	231.0	228.1	240.7	253.1	256.2
Dairy	131.1	146.4	155.8	148.5	160.8	165.6	168.1	171.3	169.7	163.4
Processed fruits and vegetables	129.6	154.6	169.8	170.9	168.4	169.3	169.0	168.5	167.6	166.7
Cereal and bakery products	134.4	171.2	178.0	183.6	177.0	177.6	177.0	174.6	174.7	175.1
Sugar and confectionery	132.3	258.9	254.3	347.3	219.4	208.3	207.6	199.1	202.6	200.4
Beverages	121.7	140.7	162.4	162.2	162.5	165.1	165.1	165.4	165.1	167.0
Vegetable oil and products	143.6	224.8	211.5	239.5	197.7	191.1	190.4	184.0	174.1	170.9
Textile products and apparel	123.8	139.1	137.9	136.5	138.4	141.3	143.2	144.0	145.1	146.3
Apparel	119.0	129.5	133.4	133.6	133.1	133.6	134.8	135.1	136.5	137.4
Hides, leather, and related products	143.1	145.1	148.5	141.7	151.3	152.4	154.4	154.6	157.5	159.9
Footwear	130.5	140.0	147.8	145.9	149.5	150.1	150.2	150.5	151.5	153.0
Lumber and wood products	177.2	183.6	176.8	169.3	179.9	179.1	178.3	183.1	190.5	196.0
Tobacco products	121.9	132.8	149.6	147.9	148.9	149.1	151.4	159.0	159.0	159.1

¹Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and

dried fruits and vegetables from farm product group. ²Fresh and dried.

Consumer Price Index, U.S. Average (not seasonally adjusted)

Items	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1967=100									
Consumer price index, all items	133.1	147.7	161.2	157.2	163.6	164.6	165.6	166.3	166.7	167.1
Consumer price index, less food	130.7	143.7	157.1	153.0	159.5	160.4	161.5	162.1	162.6	163.4
All food	141.4	161.7	175.4	171.6	177.8	179.0	179.8	180.7	180.8	180.0
Food away from home	141.4	159.4	174.3	170.5	176.5	178.0	179.2	180.0	180.9	181.9
Food at home	141.4	162.4	175.8	172.0	178.2	179.3	180.0	180.9	180.8	179.6
Meats ¹	161.1	164.1	177.9	160.9	190.5	194.3	192.4	189.8	186.8	182.8
Beef and veal	163.8	168.5	170.0	156.6	176.7	178.3	175.3	174.7	174.9	168.3
Pork	161.7	161.0	196.9	169.6	222.4	230.9	227.5	219.6	210.1	208.5
Poultry	154.8	146.9	162.4	152.0	177.2	171.6	171.1	168.5	164.5	159.8
Fish	162.8	187.7	203.3	197.2	208.1	210.6	211.7	214.1	216.1	219.2
Eggs	160.2	160.8	157.8	172.1	163.9	159.3	160.1	176.4	182.8	184.9
Dairy products ²	127.9	151.9	156.6	155.6	156.3	159.4	162.8	165.5	168.2	168.5
Fats and oils ³	126.4	179.4	198.6	214.9	189.7	188.8	187.1	185.9	182.4	177.4
Fruits and vegetables	142.5	165.8	171.0	166.7	167.4	165.5	168.7	172.1	173.3	173.2
Fresh	150.8	162.6	166.1	159.2	161.6	156.1	158.2	162.1	163.8	164.4
Processed	130.2	170.6	178.3	177.9	176.1	179.6	184.3	187.0	187.3	186.4
Cereals and bakery products	127.7	166.1	184.8	187.3	181.6	181.6	181.9	182.2	182.0	181.1
Sugar and sweets	128.3	195.2	246.2	273.9	238.2	235.0	228.0	225.7	224.5	224.0
Beverages, nonalcoholic	130.2	155.6	178.9	177.0	177.9	183.7	188.1	190.1	191.1	191.7
Apparel commodities less footwear	126.5	135.7	140.6	138.5	141.9	143.1	144.1	143.6	140.9	141.4
Footwear	130.2	138.1	144.2	143.0	144.6	145.4	146.3	145.7	144.7	146.1
Tobacco products	137.0	143.8	153.9	152.8	154.4	154.3	154.8	156.8	158.1	159.2
Beverages, alcoholic	122.5	131.8	142.1	140.7	142.5	143.3	143.5	143.7	144.0	144.4

¹ Beef, veal, lamb, mutton, pork, and processed meat. ² Includes butter. ³ Excludes butter.

FARM-RETAIL PRICE SPREADS

Farm-Retail Price Spreads¹

Commodities	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Market basket:										
Retail cost (1967=100)	142.3	161.9	173.6	169.3	176.4	177.2	177.8	178.8	178.5	176.9
Farm value (1967=100)	167.2	178.4	186.8	173.9	202.7	197.2	187.7	191.6	185.8	184.1
Farm-retail spread (1967=100)	126.5	151.4	165.3	166.4	159.7	164.5	171.5	170.7	173.9	172.3
Farmer's share (%)	46	43	42	40	45	43	41	42	40	40
Beef, choice:										
Retail price ² (cts./lb.)	135.5	138.8	146.0	129.0	152.8	152.4	151.2	150.6	148.6	142.7
Carcass value ³ (cts.)	98.1	97.4	105.5	84.7	114.5	108.9	105.0	105.7	96.4	90.1
Net farm value (cts./2.28 lbs.)	89.9	86.1	92.9	73.2	100.2	97.2	92.0	93.6	83.5	77.7
Farm-retail spread (cts.)	45.6	52.7	53.1	55.8	52.6	55.2	59.2	57.0	65.1	65.0
Carcass-retail spread ⁴ (cts.)	37.4	41.4	40.5	44.3	38.3	43.5	46.2	44.9	52.2	52.6
Farm-carcass spread ⁵ (cts.)	8.2	11.3	12.6	11.5	14.3	11.7	13.0	12.1	12.9	12.4
Farmer's share (%)	66	62	64	57	66	64	61	62	56	54
Pork:										
Retail price ² (cts./lb.)	109.8	108.2	135.0	114.8	153.8	158.7	154.0	147.5	144.2	141.6
Wholesale value ³ (cts.)	87.3	77.4	103.8	86.0	124.5	121.6	113.2	107.0	103.3	101.5
Net farm value (cts./1.97 lbs.)	71.5	60.8	86.8	68.9	109.2	104.0	89.3	87.4	87.4	87.8
Farm-retail spread (cts.)	38.3	47.4	48.2	45.9	44.6	54.7	64.7	60.1	56.8	53.8
Carcass-retail spread ⁴ (cts.)	22.5	30.8	31.2	28.8	29.3	37.1	40.8	40.5	40.9	40.1
Farm-carcass spread ⁵ (cts.)	15.8	16.6	17.0	17.1	15.3	17.6	23.9	19.6	15.9	13.7
Farmer's share (%)	65	56	64	60	71	66	58	59	61	62

See footnotes at end of table.

Farm-Retail Price Spreads¹—Continued

Commodities	Annual			1975					1976 ⁶	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Milk, fresh:										
Retail price (cts./½gal.)	65.4	78.4	78.5	79.2	77.7	78.7	80.2	81.1	82.1	77.4
Farm value (cts./4.39 lbs. Class I)	34.1	40.8	41.2	40.2	41.4	42.9	44.5	45.9	47.1	48.9
Farm-retail spread (cts.)	31.3	37.6	37.3	39.0	36.3	35.8	35.7	35.2	35.0	28.5
Farmer's share (%)	52	52	52	51	52	55	55	57	57	63
Chicken, frying:										
Retail price (cts./lb.)	59.6	56.0	63.3	58.6	69.9	66.9	66.5	65.5	63.8	61.4
Farm value (cts./1.41 lbs. broilers)	35.0	31.6	37.3	33.6	42.2	40.6	40.0	37.2	35.0	34.7
Farm-retail spread (cts.)	24.6	24.4	26.0	25.0	27.7	26.3	26.5	28.3	28.8	26.7
Farmer's share (%)	59	56	59	57	60	61	60	57	55	57
Eggs, large grade A										
Retail price (cts./doz.)	78.0	78.3	77.0	83.9	79.9	77.7	78.1	86.1	89.2	90.1
Farm value (cts./1.03 doz.)	54.4	53.2	50.8	56.9	56.0	50.6	52.3	60.5	60.8	63.3
Farm-retail spread (cts.)	23.6	25.1	26.2	27.0	23.9	27.1	25.8	25.6	28.4	26.8
Farmer's share (%)	70	68	66	68	70	65	67	70	68	70
Bread, white:										
Retail price (cts./lb.)	27.6	34.5	36.0	37.4	35.0	35.2	35.3	35.1	35.5	35.2
Farm value (cts./0.867 lb. wheat)	4.1	5.4	4.5	4.8	5.0	4.8	4.3	4.1	4.1	4.5
Farm value (cts. for all farm ingredients)	5.5	8.0	6.8	7.7	7.3	7.0	6.3	6.0	6.0	6.4
Farm-retail spread (cts.)	22.1	26.5	29.2	29.7	27.7	28.2	29.0	29.1	29.5	28.8
Farmer's share (%)	20	23	19	21	21	20	18	17	17	18
Lettuce:										
Retail price (cts./head)	41.8	42.3	41.5	48.5	42.3	40.6	46.4	43.8	43.2	39.2
Farm value (cts./1.88 lbs.)	14.2	13.2	13.8	14.2	16.7	13.9	15.7	16.6	17.5	10.3
Farm-retail spread (cts.)	27.6	29.1	27.7	34.3	25.6	26.7	30.7	27.2	25.7	28.9
Farmer's share (%)	34	31	33	29	39	34	34	38	41	26
Potatoes:										
Retail price (cts./10 lbs.)	136.6	166.4	134.4	111.1	136.5	142.5	141.9	138.9	139.5	156.2
Farm value (cts./10.42 lbs.)	44.4	59.4	45.4	32.8	43.1	40.5	41.9	43.4	47.1	50.0
Farm-retail spread (cts.)	92.2	107.0	89.0	78.3	93.4	102.0	100.0	95.5	92.4	106.2
Farmer's share (%)	32	36	34	30	32	28	30	31	34	32
Tomatoes:										
Retail price (cts./lb.)	48.2	54.8	57.8	61.9	45.6	46.1	49.2	61.2	60.3	54.2
Farm value (cts./1.18 lbs.)	19.8	21.0	23.8	30.3	18.1	17.5	21.5	24.8	22.9	17.4
Farm-retail spread (cts.)	28.4	33.8	34.0	31.6	27.5	28.6	27.7	36.4	37.4	36.8
Farmer's share (%)	41	38	41	49	40	38	44	41	38	32
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	25.0	25.9	28.2	27.9	28.2	28.4	28.6	29.0	29.3	29.2
Farm value (cts./3.08 lbs.)	8.6	9.2	8.6	8.7	8.8	8.8	8.8	8.8	9.2	9.7
Farm-retail spread (cts.)	16.4	16.7	19.6	19.2	19.4	19.6	19.8	20.2	20.1	19.5
Farmer's share (%)	34	36	30	31	31	31	31	30	31	33
Margarine:										
Retail price (cts./lb.)	37.4	57.4	62.9	70.8	58.9	58.9	58.3	57.5	56.7	54.3
Farm value (cts. for veg. oil and NFDM) ¹	14.0	27.8	21.0	25.5	19.8	17.9	16.5	14.3	14.4	14.4
Farm-retail spread (cts.)	23.4	29.6	41.9	45.3	39.1	41.0	41.8	43.2	42.3	39.9
Farmer's share (%)	37	48	33	36	34	30	28	25	25	27

¹ For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61 and selected items. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. Data are

preliminary. ² Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from BLS and food chain prices. ³ For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed. ⁶ Data for October forward revised to a basis consistent with that prior to October 1975.

Dairy

Items	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Milk production:										
Total milk (mil. lb.)	115,385	115,553	115,458	8,781	9,068	9,173	8,823	9,284	9,545	9,248
Milk per cow (lb.)	10,114	10,300	10,354	784	815	825	795	837	862	835
Number of milk cows (thou.)	11,409	11,219	11,151	11,195	11,128	11,116	11,100	11,091	11,079	11,072
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	6.30	7.06	7.62	6.85	8.27	8.60	8.84	9.08	8.90	8.25
Price of 16% dairy ration (\$/ton)	113	138	134	137	135	136	133	134	136	136
Milk-feed price ratio (lb.) ²	1.48	1.35	1.46	1.33	1.54	1.62	1.77	1.80	1.75	1.70
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,498	5,207	5,886	5,897	6,303	5,143	4,442	4,044	3,854	3,751
Commercial (mil. lb.)	3,493	4,732	5,576	5,526	5,117	4,704	4,112	3,857	3,730	3,659
Government (mil. lb.)	2,005	476	310	370	1,185	438	331	187	124	92
Imports, total milk equiv. (mil. lb.) ³	3,859	2,925	1,674	72	152	196	292	241	159	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,185	1,346	2,036	458.4	⁴ -59.2	2.0	1.9	3.9	4.9	5.8
Butter:										
Production (mil. lb.)	918.6	961.7	975.6	90.4	57.0	66.6	64.8	83.0	94.3	—
Stocks, beginning (mil. lb.)	107.5	46.4	49.2	53.7	79.2	39.6	27.0	15.1	10.9	9.3
Wholesale price, Grade A										
Chicago (cts./lb.)	69.8	65.7	79.4	68.1	87.9	93.0	97.3	103.6	86.1	80.9
USDA net removals (mil. lb.)	97.7	32.7	63.4	16.7	⁴ -3.2	0	0	0	0	0
Commercial disappearance (mil. lb.)	855.6	929.9	942.8	71.3	66.2	77.1	72.2	85.1	96.3	—
American cheese:										
Production (mil. lb.)	1,672.5	1,858.6	1,664.5	122.1	115.6	120.7	117.0	135.6	149.3	—
Stocks, beginning (mil. lb.)	269.4	290.3	420.9	417.2	402.0	370.2	333.6	321.0	307.8	303.4
Wholesale price, Wisconsin assembly										
pt. (cts./lb.)	72.6	79.9	86.6	76.9	94.0	99.0	99.3	101.7	100.4	90.0
USDA net removals (mil. lb.)	3.2	60.3	68.2	11.0	.1	0	0	0	0	0
Commercial disappearance (mil. lb.)	1,677.1	1,780.6	1,727.1	135.3	142.2	154.6	131.7	150.4	153.5	—
Other cheese:										
Production (mil. lb.)	1,012.8	1,071.8	1,131.4	81.7	97.4	97.9	93.9	102.5	99.7	—
Stocks, beginning (mil. lb.)	62.0	67.5	73.1	68.7	61.3	61.3	59.7	58.7	60.8	59.2
Commercial disappearance (mil. lb.)	1,210.2	1,269.5	1,306.5	93.9	112.3	115.4	118.9	126.0	112.4	—
Nonfat dry milk:										
Production (mil. lb.)	916.6	1,019.9	1,024.9	81.6	53.2	50.3	49.3	67.1	67.0	—
Stocks, beginning (mil. lb.)	44.9	74.6	293.2	308.4	529.5	512.5	485.8	473.3	468.9	453.6
Wholesale price, avg. manf. (cts./lb.)	46.4	58.6	63.3	60.5	64.6	68.9	70.5	70.5	65.9	—
USDA net removals (mil. lb.)	36.8	265.0	394.5	46.1	⁴ -4	⁴ -4.7	⁴ -7.9	⁴ -2	6.7	6.6
Commercial disappearance (mil. lb.)	1,110.1	809.9	720.4	43.2	75.5	67.8	56.6	57.4	64.4	—
Frozen dessert production (mil. gal.) ⁵	1,118.6	1,124.3	1,185.2	160.7	104.6	92.2	76.8	76.7	74.3	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Domestic unrestricted sales exceeded purchases. ⁵ Ice cream, ice milk, and sherbet.

Meat Animals

Items	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Cattle on feed (7-States)										
Number of feed (thou. head) ¹	9,884	9,353	6,369	6,050	5,949	6,656	7,585	8,252	8,533	8,353
Placed on feed (thou. head) ²	18,382	15,861	18,090	806	2,048	2,297	1,958	1,593	1,372	1,401
Marketings (thou. head)	18,913	17,380	14,987	1,316	1,298	1,307	1,189	1,202	1,462	1,517
Other disappearance (thou. head)	—	1,465	939	59	43	69	94	110	90	116
Beef steer-corn price ratio, Omaha (bu.) ³	22.6	13.9	15.8	12.5	16.6	17.4	17.7	17.6	16.0	14.9
Hog-corn price ratio, Omaha (bu.) ³	19.3	11.6	17.2	14.1	20.7	21.2	19.4	18.5	18.6	18.6
Commercial slaughter (thou. head)										
Cattle	33,687	36,812	40,900	3,082	3,672	3,988	3,471	3,633	3,762	—
Steers	18,322	19,680	17,811	1,569	1,421	1,436	1,264	1,366	1,494	—
Heifers	8,441	8,798	10,438	777	1,050	1,105	906	926	1,072	—
Cows	6,248	7,514	11,550	672	1,098	1,332	1,204	1,250	1,114	—
Bulls and stags	676	820	1,101	64	103	115	97	91	83	—
Calves	2,249	2,987	5,209	330	515	591	476	492	466	—
Sheep and lambs	9,597	8,847	7,834	587	785	732	536	606	601	—
Hogs	76,795	81,762	68,690	5,892	5,468	5,638	5,339	5,841	5,698	—
Commercial production (mil. lb.)										
Beef	21,088	22,844	23,664	1,843	2,066	2,270	1,971	2,056	2,207	—
Veal	325	442	826	50	82	95	77	76	73	—
Lamb and mutton	504	454	399	31	40	38	28	32	33	—
Pork	12,578	13,583	11,306	954	901	936	904	996	953	—
Market prices				Dol. per 100 pounds						
Slaughter cattle:										
Choice steers, Omaha	44.54	41.89	44.61	34.74	48.91	47.90	45.23	45.01	41.18	38.80
Utility cows, Omaha	32.82	25.56	21.09	18.18	22.45	22.01	20.73	21.64	23.26	25.90
Choice vealers, S. St Paul	64.08	49.63	40.44	40.25	36.57	42.52	43.95	43.52	51.90	50.05
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	53.17	37.88	33.91	26.96	37.59	38.09	38.26	37.83	37.46	40.42
Slaughter hogs:										
Barrows and Gilts, No. 1&2, Omaha ⁴	41.25	36.85	50.12	40.26	61.30	59.77	51.63	50.20	50.24	49.68
Barrows and Gilts, 7-markets	40.27	35.12	48.32	39.61	61.23	58.52	49.74	48.33	48.40	48.85
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.75	25.13	44.81	33.25	59.81	56.55	48.92	44.19	48.38	50.16
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	38.20	40.51	44.44	39.31	43.50	44.45	46.83	48.75	49.25	49.00
Ewes, Good, San Angelo	16.76	15.74	15.34	15.56	12.94	12.35	14.83	17.44	17.75	16.12
Feeder lambs:										
Choice, San Angelo	37.17	36.52	41.40	35.31	41.25	42.62	46.33	48.38	48.38	49.69
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	67.62	67.76	73.17	58.41	79.66	75.62	72.98	73.25	66.68	62.22
Canner and Cutter cow beef	65.78	53.48	42.90	39.62	45.40	44.10	43.40	44.61	49.12	53.25
Pork loins, 8-14 lb.	76.83	73.60	93.71	76.53	110.67	109.22	99.12	90.46	97.80	95.36
Pork bellies, 12-14 lb.	59.52	52.04	79.12	62.23	103.48	91.44	78.32	69.13	75.06	67.37
Hams, skinned, 14-17 lb.	70.20	64.11	84.71	71.18	99.08	105.70	101.04	101.81	83.43	80.68
	Annual			1974		1975			1976	
Cattle on feed (23-States):	1973	1974	1975	III	IV	I	II	III	IV	I
Number on feed (thou. head) ¹	13,861	13,067	9,619	10,047	9,152	9,619	8,473	8,542	9,301	12,296
Placed on feed (thou. head) ²	24,510	22,046	24,650	4,952	6,540	4,712	5,535	6,029	8,317	—
Marketings (thou. head)	25,304	23,330	20,494	5,522	5,538	5,487	5,013	5,018	4,940	7,6188
Other disappearance (thou. head)	—	2,164	1,479	325	535	392	453	252	382	—
Hogs and pigs (14-States):⁶										
Inventory (thou. head) ¹	50,616	52,825	47,170	51,071	50,175	47,170	40,330	40,955	41,535	41,855
Breeding (thou. head) ¹	7,415	7,445	6,283	7,530	6,825	6,283	6,080	6,191	6,011	6,368
Market (thou. head) ¹	43,201	45,380	40,887	43,541	43,350	40,887	34,250	34,764	35,524	35,487
Farrowings (thou. head)	10,674	10,207	8,397	2,424	2,280	1,778	2,428	2,088	2,103	2,047
Pig crop (thou. head)	76,037	71,958	60,211	17,128	16,127	12,540	17,469	15,020	15,182	14,552

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago; annual 1975 midwest markets. ⁶ Annual is Dec. preceding year to Nov. listed; quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV).

Poultry And Eggs

Items	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Eggs										
Farm production (mil.)	66,568	65,927	64,341	5,001	5,252	5,448	5,313	5,508	5,514	5,191
Average number of layers on farms (mil.)	293	286	276	282	274	277	279	280	280	280
Rate of lay (eggs per layer)	228	231	233	17.7	19.1	19.7	19.0	19.7	19.7	18.6
Wholesale price, New York, grade A large (cts./doz.)	59.8	58.2	57.8	55.4	61.6	56.6	65.7	71.8	68.4	60.6
Price of laying feed (\$/ton)	137	154	147	151	149	148	143	143	143	143
Egg-feed price ratio (lb.) ¹	7.9	7.0	7.2	7.2	7.5	7.1	8.1	9.0	8.7	8.4
Stocks, beginning of period:										
Shell (thou. cases)	41	34	36	32	80	72	55	40	23	13
Frozen (mil. lb.)	68.1	43.2	54.2	52.2	51.9	51.2	46.6	42.3	36.3	31.7
Replacement chicks hatched (mil.)	534.3	473.4	453.8	36.6	33.9	34.8	28.4	30.7	35.7	39.2
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,786.1	7,916.8	7,966.1	570.2	684.9	739.8	560.7	691.4	712.3	—
Wholesale price, 9-city, (cts./lb.)	42.2	38.2	45.1	41.4	49.7	47.7	45.8	41.8	41.9	42.7
Price of broiler grower feed (\$/ton)	152	169	163	167	164	164	158	160	158	160
Broiler-feed price ratio (lb.) ¹	3.3	2.6	3.2	2.9	3.6	3.5	3.4	3.0	3.1	3.2
Stocks, beginning of period (mil. lb.)	29.1	33.4	37.2	31.1	22.8	22.9	21.7	21.4	22.3	20.2
Average weekly placements of broiler chicks, 21 States (mil.)	58.1	56.5	57.7	57.1	56.0	52.9	56.9	58.5	60.2	61.5
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,787.9	1,835.8	1,716.1	47.1	229.0	257.5	220.2	157.5	76.3	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	58.8	47.2	53.2	46.9	57.2	58.1	57.3	52.6	47.1	49.7
Price of turkey grower feed (\$/ton)	158	173	167	168	170	170	164	165	165	165
Turkey-feed price ratio (lb.) ¹	4.8	3.2	4.0	3.7	4.2	4.2	4.5	4.4	4.1	3.9
Stocks, beginning of period (mil. lb.)	208.1	281.0	275.0	267.1	328.5	409.2	483.5	287.6	195.2	187.1
Poults hatched (mil.)	145.6	140.0	137.1	12.0	4.3	4.5	5.4	7.9	10.5	13.7

¹ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Wool:

	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. wool price, Boston ¹ (cts./lb.)	250	176	150	113	173	173	173	178	178	178
Imported wool price, Boston ² (cts./lb.)	298	213	176	177	167	168	176	179	178	175
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	109,872	74,858	93,929	5,758	8,182	10,313	7,815	8,983	8,898	—
Carpet wool (thou. lb.)	41,394	18,595	15,836	1,352	1,304	1,485	1,256	1,233	1,179	—

¹ Clean basis; territory fine good French combing and staple. ² Clean basis; Australian 64's combing, excl. duty.

Production, Yield, and Acreage of Major U.S. Crops

Crops	Area harvested			Yield per acre			Production		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
	Thou. acres						Million		
Corn for grains (bu.)	61,894	63,357	66,905	91.2	71.4	86.2	5,646.8	4,663.6	5,767.0
Corn for silage (ton)	8,921	10,623	9,713	12.6	10.4	11.7	112.6	110.5	113.3
Sorghum for grain (bu.)	15,853	13,876	15,484	58.7	45.3	49.0	930.0	629.2	758.5
Oats (bu.)	14,065	13,206	13,650	47.4	46.5	48.1	666.9	613.8	656.9
Barley (bu.)	10,452	8,168	8,711	40.3	37.2	44.0	421.5	304.1	383.0
All wheat (bu.)	53,869	65,613	69,656	31.7	27.4	30.6	1,705.2	1,796.2	2,133.8
Winter (bu.)	38,474	47,043	51,544	33.1	29.6	32.0	1,272.7	1,390.1	1,651.2
Durum (bu.)	2,884	4,099	4,670	27.2	19.8	26.4	78.5	81.2	123.2
Other spring (bu.)	12,511	14,471	13,442	28.3	22.4	26.7	354.0	324.8	359.4
Rice (cwt.) ¹	2,170	2,536	2,802	4,274	4,432	4,555	92.8	112.4	127.6
Rye (bu.)	1,033	897	814	25.4	21.5	22.0	26.3	19.3	17.9
Soybeans for beans (bu.)	55,796	52,368	53,606	27.7	23.2	28.4	1,547.2	1,214.8	1,521.4
Flaxseed (bu.)	1,692	1,673	1,500	9.5	8.1	9.7	16.1	13.5	14.6
Peanuts (lb.) ²	1,496	1,472	1,500	2,323	2,491	2,577	3,473.8	3,667.6	3,866.6
Cotton lint (bale) ¹	11,970	12,567	9,060	520	441	441	13.0	11.5	8.3
Cottonseed (ton)	—	—	—	—	—	—	5.0	4.6	3.3
All hay (ton)	62,099	60,571	61,863	2.17	2.10	2.15	134.8	127.1	132.9
Alfalfa (ton)	27,787	26,817	27,057	2.85	2.78	2.87	79.1	74.7	77.8
Other (ton)	34,312	33,754	34,806	1.62	1.55	1.58	55.6	52.4	55.2
Beans, dry edible (cwt.) ¹	1,367	1,542	1,447	1,198	1,320	1,188	16.4	20.3	17.2
Peas, dry edible (cwt.) ¹	136	213	188	1,221	1,515	1,449	1.7	3.2	2.7
Potatoes (cwt.)	1,305	1,391	1,257	230	246	251	299.4	342.1	315.6
Tobacco (lb.)	887	963	1,084	1,965	2,067	2,016	1,742.1	1,989.7	2,184.1
Sugarbeets (ton)	1,218	1,213	1,516	20.1	18.2	19.3	24.5	22.1	29.3
Sugar cane (ton) ³	741	734	773	34.9	33.8	36.8	25.8	24.8	28.5
Apples, commercial (ton)	—	—	—	—	—	—	3.112	3.242	3.586
Peaches (ton)	—	—	—	—	—	—	1.302	1.446	1.409
Pears (ton)	—	—	—	—	—	—	.724	.737	.754
Grapes (ton)	—	—	—	—	—	—	4.193	4.186	4.338
Cherries (ton)	—	—	—	—	—	—	.241	.276	.277
Prunes and plums (ton)	—	—	—	—	—	—	.369	.352	.345
Apricots (ton)	—	—	—	—	—	—	.158	.094	.170
Almonds (ton)	—	—	—	—	—	—	.134	.189	.159
Pecans (ton)	—	—	—	—	—	—	.138	.069	.115
Walnuts (ton)	—	—	—	—	—	—	.175	.156	.196
Oranges (ton)	—	—	—	—	—	—	9.737	9.386	10.245
Grapefruit (ton)	—	—	—	—	—	—	2.676	2.692	2.496
Lemons (ton)	—	—	—	—	—	—	.844	.676	1.118
Other citrus (ton) ⁴	—	—	—	—	—	—	.637	.658	.723
	Mil. acres ⁵			1967=100			1967=100		
Total	321	330	336	115	104	113	120	110	122

¹Yield in pounds. ²Harvested for nuts. ³For sugar and seed. ⁴Limes, tangelos, tangerines, and temples. ⁵Area in principal crops harvested plus acreage in fruits and tree nuts.

Fats And Oils :

	Marketing year ¹			1975					1976	
	1972/73	1973/74	1974/75	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Soybeans:										
Wholesale price, No. 1										
yellow, Chicago (\$/bu.)	6.26	6.12	6.33	5.68	5.55	4.97	4.70	4.59	4.65	4.74
Crushings (mil. bu.)	721.8	821.3	700.5	34.1	56.5	71.4	71.1	77.8	74.4	—
Processing margin										
(cts./lb.) ²	59	72	13	11	19	45	20	15	14	—
Exports (mil. bu.)	479.4	539.1	420.7	33.3	24.3	62.7	61.5	49.6	51.8	—
Soybean oil:										
Wholesale price, crude,										
Decatur (cts./lb.)	16.5	31.5	30.7	29.4	24.4	21.4	18.9	16.8	16.2	16.3
Production (mil. lb.)	7,501.0	8,994.7	7,376.2	555.9	599.2	783.9	776.7	846.7	814.1	—
Domestic disappearance										
(mil. lb.)	6,685.0	7,255.4	6,518.5	523.2	577.4	728.4	605.0	661.5	731.4	—
Exports (mil. lb.)	1,065.6	1,435.2	1,028.3	77.3	13.6	43.8	78.9	40.5	32.6	—
Stocks, beginning (mil. lb.)	785.0	515.5	793.5	689.6	567.1	560.6	568.0	657.7	799.9	843.5
Soybean meal:										
Wholesale price, 44%										
protein, Decatur (\$/ton)	229.00	146.35	130.85	117.25	133.70	125.90	119.90	125.10	128.25	132.60
Production (thou. ton)	16,708.8	19,674.4	16,701.5	1,282.0	1,337.9	1,700.5	1,697.0	1,807.8	1,763.0	—
Domestic disappearance										
(thou. ton)	11,920.5	13,766.3	12,501.3	911.1	1,098.3	1,383.3	1,298.3	1,442.0	1,214.9	—
Exports (thou. ton)	4,744.8	5,547.6	4,298.8	367.2	274.4	207.2	353.4	426.6	543.3	—
Stocks, beginning										
(thou. ton)	191.7	183.2	507.3	541.0	404.5	358.3	396.1	441.4	371.3	376.1
Margarine, wholesale price,										
Chicago (cts./lb.)	30.6	47.5	39.8	41.5	36.0	34.3	33.5	31.2	31.0	31.0

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1973, 1974 and 1975 for margarine. ² Spot basis, Illinois shipping points.

Fruit:

	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale price indexes:										
Fresh fruit (1967=100)	135.6	144.0	157.8	153.1	151.3	141.1	148.0	151.5	154.7	158.8
Dried fruit (1967=100)	209.2	247.3	213.4	220.5	212.4	213.9	207.4	207.4	207.8	207.8
Canned fruit and juice (1967=100)	134.0	159.7	173.8	174.8	172.9	172.5	171.5	170.8	169.5	169.2
Frozen fruit and juice (1967=100)	137.3	144.0	156.5	155.2	154.9	159.9	161.1	161.1	161.1	159.4
F.o.b. shipping point prices:¹										
Apples, Yakima Valley (\$/ctn.) ²	n.a.	n.a.	n.a.	7.89	7.75	6.11	5.79	5.98	5.95	6.69
Pears, Yakima Valley (\$/box) ³	n.a.	n.a.	n.a.	6.24	—	6.50	6.53	6.98	7.42	7.73
Oranges, U.S. avg. (\$/box)	6.26	6.77	6.74	6.60	7.75	6.49	6.35	7.00	6.95	6.10
Grapefruit, U.S. avg. (\$/box)	5.78	5.55	6.17	5.86	5.82	5.74	5.66	5.64	5.59	5.54
Stocks, beginning:										
Fresh apples (mil. lb.)	1,737.6	2,074.2	2,214.1	1,674.2	10.6	1,027.1	3,453.7	3,115.1	2,569.4	2,087.2
Fresh pears (mil. lb.)	94.8	128.6	170.5	108.4	565.9	419.8	285.5	232.3	162.2	124.0
Frozen fruit (mil. lb.)	514.0	516.3	607.3	570.3	600.7	592.2	622.2	591.9	558.3	510.7
Frozen fruit juices (mil. lb.)	532.6	853.4	883.0	1,029.1	1,196.2	1,073.6	920.2	853.5	970.5	1,164.3

¹ Annual prices are seasonal average ending with year listed. ² Red Delicious, regular storage, Washington extra fancy, carton tray pack,

80-125's. ³ D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

Food Grains:

	Marketing year ¹			1975					1976	
	1972/73	1973/74	1974/75	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	2.33	4.62	4.13	3.93	4.21	4.09	3.71	3.50	3.57	3.81
Wheat, DNS, Minneapolis (\$/bu.) ²	2.16	4.57	4.50	4.12	4.12	3.94	3.51	3.50	3.55	3.66
Flour, Kansas City (\$/cwt.)	6.78	10.47	10.06	9.94	10.21	10.11	9.65	8.99	8.96	9.35
Flour, Minneapolis (\$/cwt.)	7.12	10.85	11.28	11.02	11.24	11.16	10.68	10.15	10.15	10.21
Rice, S.W. La. (\$/cwt.) ³	14.35	30.42	21.50	21.50	18.30	18.00	18.00	17.60	17.40	16.50
Wheat:										
Exports (mil. bu.)	1,186	1,148	1,039	75	128	127	122	95	94	—
Mill grind (mil. bu.)	554	549	541	40	51	54	45	46	48	—
Wheat flour production (mil. cwt.)	249	246	240	18	23	24	20	21	21	—

	Marketing year ¹			1974		1975			1976	
	1972/73	1973/74	1974/75	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
Wheat:										
Stocks, beginning (mil. bu.)	863	438	247	247	1,563	1,108	662	327	1,891	1,385
Domestic use:										
Food (mil. bu.)	528	528	525	132	138	123	132	144	143	—
Feed and seed (mil. bu.) ⁴	257	224	165	80	35	68	-29	80	21	—
Exports (mil. bu.)	1,186	1,148	1,039	269	283	255	232	347	343	—

¹ Beginning July 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Feed Grains:

	Marketing year ¹			1975					1976	
	1972/73	1973/74	1974/75	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	1.91	2.95	3.12	2.96	2.99	2.74	2.59	2.59	2.62	2.69
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	3.24	4.64	5.01	4.55	4.66	4.53	4.36	4.33	4.36	4.47
Barley, feed, Minneapolis (\$/bu.) ²	1.21	2.10	2.52	2.59	3.00	2.83	2.42	2.23	2.11	2.14
Barley, malting, Minneapolis (\$/bu.) ²	1.47	2.79	4.23	4.45	3.93	3.83	3.56	3.35	3.24	3.21
Exports:										
Corn (mil. bu.)	1,258	1,243	1,149	123	77	134	166	154	138	⁴ 125
Feed grains (mil. short tons) ³	43.1	44.4	39.2	4.1	3.0	4.3	5.4	5.3	4.7	⁴ 4.2
	Marketing year ¹			1974		1975			1976	
	1972/73	1973/74	1974/75	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Corn:										
Stocks, beginning (mil. bu.)	1,126	709	483	1,443	483	3,621	2,214	1,150	359	4,431
Domestic use:										
Feed (mil. bu.)	4,310	4,193	3,187	620	1,144	915	681	447	1,136	—
Food, seed, ind. (mil. bu.)	423	438	454	115	110	114	123	107	106	—
Feed grains: ³										
Stocks, beginning (mil. short tons)	48.4	32.4	22.2	52.3	32.9	125.6	76.3	39.6	29.3	152.1
Domestic use:										
Feed (mil. short tons)	156.2	153.3	115.0	24.3	42.3	32.3	23.3	17.1	41.0	—
Food, seed, ind. (mil. short tons)	17.0	17.7	18.0	4.3	4.1	4.4	5.3	4.1	4.2	—

¹ Beginning October 1 for corn and sorghum; July 1 for oats and barley. ² No. 3 or better. ³ Aggregated data for corn, sorghum, oats

and barley; Quarterly totals may not add to marketing year totals.

⁴ Based on inspections for export.

Cotton:

	Marketing year ¹			1975					1976	
	1972/73	1973/74	1974/75	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	35.6	67.1	41.7	36.4	50.7	50.4	50.9	55.1	57.2	57.0
Northern Europe prices:										
Index (cts./lb.) ³	42.1	76.3	52.5	47.0	55.4	55.7	55.2	58.8	65.4	65.9
U.S., SM 1-1/16 in. (cts./lb.) ⁴	43.5	78.3	56.4	52.6	65.4	64.8	65.7	68.6	71.4	71.4
U.S. mill consumption (thou. bales)	7,871.0	7,448.4	5,833.7	411.9	552.7	709.5	572.0	648.4	587.5	—
Exports (thou. bales)	5,311.4	6,123.0	3,925.9	397.8	269.2	234.9	184.2	247.2	223.7	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Vegetables:

	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	3.79	6.74	4.98	2.00	6.70	5.16	4.66	4.52	6.78	7.74
Iceburg lettuce (\$/ctrn.) ¹	3.76	2.82	2.71	2.76	3.19	2.64	3.42	2.88	3.42	2.14
Tomatoes (\$/ctrn.) ²	3.72	5.41	5.62	6.94	3.75	3.70	5.26	6.60	6.29	4.82
Wholesale price index, 10 canned veg. (1967=100)	117	146	169	171	170	166	166	163	158	152
Grower price index, fresh commercial veg. (1967=100)	157	156	181	188	172	159	169	196	190	171

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Tobacco:

	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Prices at auctions:										
Flue-cured (cts./lb.)	88.1	105.0	100.0	—	104.4	105.5	99.3	—	—	—
Burley (cts./lb.)	89.7	111.5	104.9	87.9	—	—	101.6	103.9	108.1	107.1
Domestic consumption: ¹										
Cigarettes (bil.)	588.1	578.5	² 588.3	47.0	52.8	58.9	48.0	42.7	—	—
Large cigars (mil.)	6,893.3	6,273.2	² 4,476.0	458.8	498.8	581.9	460.5	405.0	—	—

¹ Taxable removals. ² Subject to revision.

Sugar:

	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale price, N.Y. (\$/cwt.) ¹	10.29	29.50	22.47	36.07	17.36	15.45	15.03	14.80	15.42	14.90
U.S. deliveries (thou. short tons) ¹	11,482	11,237	9,980	549	930	909	759	² 875	² 773	² 746

¹ Raw value. ² Preliminary.

GENERAL ECONOMIC DATA

Gross National Product And Related Data

Items	Annual			1974				1975			
	1973	1974	1975	I	II	III	IV	I	II	III	IV
Bil. \$ (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,306.3	1,406.9	1,498.8	1,370.9	1,391.0	1,424.4	1,441.3	1,433.6	1,460.6	1,528.5	1,572.5
Personal consumption expenditures	808.5	885.9	963.8	849.5	877.8	907.7	908.4	926.4	950.3	977.4	1,001.0
Durable goods	122.9	121.9	128.1	118.4	123.1	128.9	117.3	118.9	123.8	131.8	137.6
Nondurable goods	334.4	375.7	409.8	359.8	371.9	383.9	387.1	394.1	404.8	416.4	423.7
Clothing and shoes	61.4	65.2	69.9	64.3	65.3	66.5	64.8	66.7	69.0	71.3	72.5
Food and beverages	168.0	189.4	209.1	181.3	185.4	193.2	197.4	202.8	206.6	211.4	215.6
Services	351.3	388.3	426.0	371.2	382.8	394.9	404.0	413.4	421.6	429.2	439.7
Gross private domestic investment	220.5	212.2	182.6	218.4	212.7	207.6	210.3	168.7	161.4	194.9	205.4
Fixed investment	203.0	202.5	197.3	203.5	203.4	203.1	199.8	193.5	191.1	197.1	207.4
Nonresidential	136.5	147.9	148.5	145.9	146.6	148.1	151.1	149.3	146.1	146.7	151.9
Residential	66.5	54.6	48.7	57.6	56.9	55.0	48.7	44.2	45.0	50.4	55.4
Change in business inventories	17.5	9.7	-14.6	14.9	9.3	4.4	10.4	-24.8	-29.6	-2.1	-2.0
Net exports of goods and services	7.4	7.7	21.2	15.6	4.0	3.2	8.2	17.3	24.2	22.1	21.2
Exports	101.5	144.2	147.7	133.1	141.6	148.6	153.6	148.2	140.7	148.5	153.5
Imports	94.2	136.5	126.5	117.5	137.6	145.5	145.3	130.9	116.4	126.4	132.2
Government purchases of goods and services	269.9	301.1	331.2	287.5	296.5	305.9	314.4	321.2	324.7	334.1	344.8
Federal	102.0	111.7	123.2	106.1	108.9	113.6	118.2	119.4	119.2	124.2	129.9
State and local	168.0	189.4	208.0	181.4	187.6	192.3	196.3	201.9	205.5	209.9	214.8
1972 Bil. \$ (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,233.4	1,210.7	1,186.0	1,228.7	1,217.2	1,210.2	1,186.8	1,158.6	1,168.1	1,201.5	1,215.9
Personal consumption expenditures	766.3	759.8	766.9	760.0	763.2	767.2	748.9	752.3	764.1	771.6	779.4
Durable goods	120.9	112.5	109.5	114.7	115.5	116.8	102.9	104.0	106.5	112.3	115.3
Nondurable goods	309.6	303.0	306.6	304.5	303.8	304.7	298.9	300.8	306.9	308.0	310.7
Clothing and shoes	59.3	59.0	61.2	60.1	59.8	59.2	57.1	58.7	60.9	62.1	62.9
Food and beverages	150.5	147.1	150.2	146.7	146.4	149.1	146.4	148.2	150.7	150.2	151.8
Services	335.8	344.4	350.7	340.8	343.9	345.7	347.2	347.5	350.8	351.2	353.3
Gross private domestic investment	207.4	180.0	138.3	195.9	183.8	173.2	166.9	129.7	124.1	147.8	151.4
Fixed investment	191.4	172.2	148.8	183.6	177.0	169.0	159.3	148.7	144.8	148.7	153.0
Nonresidential	131.3	127.5	112.2	134.5	129.9	125.0	120.8	115.2	110.8	110.6	112.3
Residential	60.1	44.7	36.6	49.1	47.1	44.1	38.5	33.6	34.0	38.0	40.7
Change in business inventories	16.0	7.7	-10.5	12.4	6.8	4.2	7.6	-19.0	-20.7	-8	-1.6
Net exports of goods and services	7.2	16.6	23.3	18.7	15.3	15.1	17.4	21.5	24.9	23.5	23.6
Exports	87.6	97.6	90.5	98.1	99.5	96.9	95.7	90.7	86.8	90.8	93.9
Imports	80.4	81.0	67.2	79.5	81.2	81.9	78.3	69.2	62.0	67.3	70.3
Government purchases of goods and services	252.5	254.3	257.6	254.0	255.0	254.7	253.6	255.1	254.9	258.7	261.6
Federal	96.1	95.0	94.3	94.7	94.7	95.7	94.7	93.7	92.4	94.9	96.1
State and local	156.3	159.3	163.3	159.3	160.2	159.0	158.9	161.4	162.5	163.8	165.5
New plant and equipment expenditures	99.74	112.40	113.49	107.27	111.40	113.99	116.22	114.57	112.46	112.16	114.80
Implicit price deflator for GNP (1972=100)	105.92	116.20	126.37	111.58	114.28	117.70	121.45	123.74	125.04	127.21	129.32
Disposable income (\$bil.)	903.1	983.6	1,076.7	953.8	968.2	996.3	1,015.9	1,024.0	1,081.7	1,087.1	1,114.0
Disposable income (1972 \$bil.)	856.0	843.5	856.7	853.3	841.8	842.0	837.6	831.6	869.8	858.2	867.3
Per capita disposable income (\$)	4,292	4,642	5,040	4,513	4,574	4,697	4,779	4,808	5,070	5,083	5,197
Per capita disposable income (1972 \$)	4,068	3,981	4,010	4,037	3,976	3,969	3,940	3,905	4,077	4,012	4,047
U.S. population, tot. incl. military											
abroad (mil.)	210.4	211.9	213.6	211.4	211.7	212.1	212.6	213.0	213.4	213.9	214.3
Civilian population (mil.)	208.1	209.7	211.4	209.1	209.5	209.9	210.4	210.8	211.2	211.7	212.2

See footnotes at end of table.

Selected Monthly Indicators

Items	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	125.6	124.8	113.8	111.2	116.2	116.7	117.5	118.6	119.2	119.9p
Manufacturing (1967=100)	125.1	124.4	112.2	109.3	114.7	115.8	116.6	117.1	117.7	118.6p
Durable (1967=100)	122.0	120.7	105.8	104.8	107.0	107.6	108.0	108.5	109.1	110.1p
Nondurable (1967=100)	129.7	129.7	121.4	115.6	125.7	127.2	128.8	130.0	130.6	131.1p
Leading economic indicators ^{1 3} (1967=100)	124.0	110.1	98.5	91.1	102.8	102.5	103.1	104.0	106.3p	—
Employment ⁴ (Mil. persons)	84.4	85.9	84.8	84.2	85.2	85.2	85.2	85.4	86.2	86.3
Unemployment rate ⁴ (%)	4.9	5.6	8.5	8.0	8.6	8.6	8.5	8.3	7.8	7.6
Personal income ¹ (\$bil. annual rate)	1,054.3	1,154.7	1,245.9	1,203.2	1,278.7	1,287.4	1,295.9	1,300.2	1,315.0	1,327.9p
Hourly earnings in manufacturing ^{4 5} (\$) ..	4.08	4.41	4.81	4.68	4.89	4.90	4.93	5.00	5.02	5.02
Money stock (daily average) ² (\$bil.)	⁶ 270.5	⁶ 283.1	⁶ 295.0	281.9	293.6	293.4	295.7	295.0	295.3	296.9p
Time and savings deposits (daily average) ² (\$bil.)	⁶ 364.4	⁶ 419.1	⁶ 451.2	428.3	438.3	443.2	447.6	451.2	452.9	455.4p
Three-month Treasury bill rate ² (%)	7.041	7.886	5.838	5.583	6.383	6.081	5.468	5.504	4.961	4.852
Aaa corporate bond yield (Moody's) ^{5 7} (%)	7.44	8.57	8.83	8.62	8.95	8.86	8.78	8.79	8.60	8.55
Interest rate on new home mortgages ^{5 8} (%)	7.95	8.92	—	9.12	8.94	9.01	9.01	9.01	8.99	8.94p
Housing starts, private (including farm) ¹ (thou.)	2,045.3	1,337.7	1,160.4	953	1,304	1,431	1,381	1,283	1,224p	1,555p
Auto sales at retail, total ¹ (mil.)	11.4	8.9	8.7	9.2	8.9	9.1	8.8	9.4	9.6	10.2p
Business sales, total ¹ (\$bil.)	143.8	164.0	168.0	163.4	173.4	175.0	173.8	177.0	178.9	—
Business inventories, total ¹ (\$bil.)	224.4	271.0	264.8	270.3	265.1	266.9	266.1	264.8	266.0	—

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally

adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. p. Preliminary.

TRANSPORTATION DATA

Rail Rates And Grain Shipments

	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Rail freight rate index ¹										
All products (1969=100)	129.3	149.7	169.4	158.3	175.7	180.2	180.8	180.9	181.0	181.2
Farm products (1969=100)	125.2	145.3	165.0	154.0	171.8	175.8	176.6	177.4	177.7	178.0
Food products (1969=100)	128.8	148.9	168.6	157.1	175.0	179.1	179.3	179.3	179.3	179.5
Rail carloadings of grain (thou. cars) ²	32.3	28.2	25.8	24.4	29.8	34.5	29.0	23.4	24.5	25.4
Barge shipments of grain (mil. bu.) ³	19.0	19.8	23.0	19.2	23.7	33.9	33.0	21.2	25.9	27.8

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA.

U.S. AGRICULTURAL TRADE

Prices Of Principal U.S. Agricultural Trade Products

Items:	Annual			1975					1976	
	1973	1974	1975	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Export commodities:										
Wheat, f.o.b. Gulf ports (\$/bu.)	3.78	4.54	4.16	4.21	4.35	4.46	4.09	3.91	3.93	4.18
Corn, f.o.b. Gulf ports (\$/bu.)	2.48	3.36	3.10	3.18	3.13	3.13	2.79	2.81	2.85	2.86
Grain sorghum, f.o.b. Gulf ports (\$/bu.)	1.95	2.53	2.91	2.45	2.43	2.49	2.37	2.33	2.33	2.33
Soybeans, f.o.b. Gulf ports (\$/bu.)	6.32	6.42	5.72	5.94	5.68	5.44	4.94	4.84	4.91	5.03
Soybean oil, Decatur (cts./lb.)	19.84	35.80	25.39	29.40	24.40	21.40	18.90	16.80	16.17	16.33
Soybean meal, Decatur (\$/ton)	238.36	140.85	124.05	117.25	133.70	127.65	119.90	125.10	128.25	131.24
Cotton, 10 market avg. spot (cts./lb.)	54.17	54.88	44.70	36.44	50.74	50.38	50.87	55.12	57.17	56.96
Tobacco, avg. price of auction (cts./lb.)	82.40	94.00	103.50	106.00	106.00	106.20	100.50	100.20	100.50	100.50
Rice, f.o.b. mill, Houston (\$/cwt.)	21.80	28.33	21.28	22.40	20.50	19.25	19.25	18.75	18.30	18.00
Inedible tallow, Chicago (cts./lb.)	12.36	15.25	12.04	10.44	13.06	13.21	13.31	12.94	12.97	13.16
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	66.10	69.30	77.27	69.80	93.50	93.50	n.a.	n.a.	107.00	109.00
Sugar, N.Y. spot (cts./lb.)	10.29	29.50	22.47	36.07	17.36	15.45	15.03	14.80	15.42	15.04
Cow meat, f.o.b. port of entry (cts./lb.)	91.09	71.77	60.20	52.02	64.25	69.54	66.51	65.54	67.41	71.99
Rubber, N.Y. spot (cts./lb.)	35.50	39.40	30.60	30.00	30.30	29.70	29.80	31.10	33.00	36.00
Cocoa beans, N.Y. spot (cts./lb.)	64.40	98.30	74.90	87.20	n.a.	n.a.	69.40	74.10	75.80	76.00
Bananas, f.o.b. port of entry (\$/40-lb. box)	2.99	3.34	4.41	4.37	4.25	4.30	n.a.	4.48	4.40	4.74
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.49	1.35	1.75	1.54	1.90	1.93	1.94	1.90	1.84	1.78
Quantity Indices										
Export (1967=100)	167	155	156	155	143	188	199	179	182	n.a.
Import (1967=100)	121	115	99	129	146	133	136	128	138	n.a.
Unit Value Indices										
Export (1967=100)	166	223	221	240	218	214	212	206	206	n.a.
Import (1967=100)	153	193	203	236	198	191	191	191	185	n.a.

n.a. not available.

Items	July-January		January	
	1974/75	1975/76	1975	1976
\$ Mill.				
Agricultural exports	13,110	12,954	2,459	1,994
Nonagricultural exports	46,179	49,413	6,665	6,766
Total exports	59,289	62,367	9,124	8,760
Agricultural imports	5,858	5,614	811	818
Nonagricultural imports	57,992	52,739	9,049	8,249
Total imports	63,850	58,353	9,860	9,067
Agricultural trade balance	7,252	7,340	1,648	1,176
Nonagricultural trade balance	-11,813	-3,326	-2,384	-1,483
Total trade balance	-4,561	4,014	-736	-307

NEW REPORTS

Agricultural Economic Reports

1. Farmers' Use of Forward Contracts and Futures Markets (INEAD). March 1976 AER-320
2. Households Eligible for a National Farmworker Program Under the Comprehensive Employment and Training Act of 1973 (EDDI). February 1976 AER-324
3. Price Spreads, Costs, and Productivity in Poultry and Egg Marketing, 1955-74 (ICED). February 1976 AER-326
4. Developments in Marketing Spreads for Agricultural Products in 1975 (ICED). March 1976 AER-328
5. Relationships of Food Costs, Expenditures, and Prices, 1960-64 (INEAD). March 1976 AER-329

Agricultural Information Bulletins

6. A Short History of Agricultural Adjustment, 1933-75 (INEAD). March 1976 AIB-391

Technical Bulletins

7. A Systems Analysis of the Hog-Pork Subsector (FDCD). February 1976 TB-1535
8. The Distribution of Shortrun Commodity Price Movements (INEAD). March 1976 TB-1536

ERS Reports

9. U.S. Edible Fats and Oils Refining Capacities, 1975, reprinted from the Fats and Oils Situation (CED). February 1976 . . . ERS-621
10. The Decade Ahead for U.S. Soybeans, reprinted from the Fats and Oils Situation (CED). February 1976 ERS-622
11. Cost of Producing Soybeans in the U.S., 1974, reprinted from the Fats and Oils Situation (CED). February 1976 . . . ERS-623

Speeches and Papers

12. U.S. Agricultural Research Policy and the World Food Situation, presented by Joseph W. Willett, Director, FOCD, at the University of Kentucky, December 5, 1975 ERS-625

Unnumbered Reports

13. Florida's and Mexico's Shares of the U.S. Fresh Winter Vegetable Market, reprinted from the Vegetable Situation, TVS-199, February 1976
14. Fresh Fall Potatoes: Production, Consumption, Marketing Patterns, Prices, and Spreads, reprinted from the Vegetable Situation, TVS-199, February 1976
15. Recent Changes and the Potential for U.S. Rice Acreage (CED). October 1975
16. Energy in U.S. Agriculture: Compendium of Energy Research Projects, prepared by Federal Energy Administration and ERS, Conservation Paper Number 37A.

Statistical Reporting Service Reports

The following material is issued by a State Crop and Livestock Reporting Service. Copies may be obtained by writing the issuing State. No copies are available from the U.S. Department of Agriculture.

1975 Kansas Custom Rates. Kansas Crop and Livestock Reporting Service, 200 Federal Building, Topeka, Kansas 66601

ORDERING REPORTS

Please use this form as an order blank. Circle the corresponding number of each report you want. Then clip and return entire form (including label on reverse side, if it exists) to:

UNITED STATES DEPARTMENT OF AGRICULTURE, ECONOMIC RESEARCH SERVICE, DIVISION OF INFORMATION, ROOM 0054, SOUTH BUILDING, WASHINGTON, D.C. 20250.

For fastest service, leave label on reverse side intact.

- | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|----|----|
| 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. |
| 10. | 11. | 12. | 13. | 14. | 15. | 16. | | |

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101
FIRST CLASS

